



Daily Report

East Asia

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7 February 1994

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Japan

Tokyo, U.S. Resolve Dispute Over Procurement

OW0502103894 Tokyo KYODO in English 1029 GMT
5 Feb 94

[Text] Tokyo, Feb. 5 KYODO—Japan and the United States have struck a deal to resolve a trade dispute over government procurement for telecommunications and medical equipment, a Japanese Government source said Saturday [5 February].

Government procurement of telecommunications and medical equipment is one of the areas covered under bilateral talks on a new trade framework which the two countries hope to reach agreement by February 11, when Prime Minister Morihiro Hosokawa is to meet U.S. President Bill Clinton in Washington.

The deal came after four days of bilateral negotiations held since Tuesday at the Foreign Ministry, the source said.

As part of the deal, Tokyo offered to introduce an open bidding system for purchases of telecommunications and medical equipment valued at more than 100,000 Special Drawing Rights (SDRs) or some 19 million yen, the source said.

Japan also promised to introduce a "comprehensive" evaluation system to decide on which equipment to purchase on the basis of not only price but also other factors to make it easier for U.S. suppliers to win contracts, the source said.

Japanese and U.S. trade negotiators have long been at odds over the minimum value of contracts to be opened to general bidding, as Washington demanded 5,000 SDRs against the 130,000 SDRs sought by Japan.

The source indicated that the comprehensive evaluation system would apply only to medical equipment, as U.S. medical devices are usually priced higher than those made in Japan.

The talks over government procurement are part of the so-called framework talks under which the two sides hope to agree on ways to slash Japan's massive trade surplus with the United States.

Hata Not 'Responsible' for Overall Trade Talks

OW0702091694 Tokyo KYODO in English 0908 GMT
7 Feb 94

[Text] Tokyo, Feb. 7 KYODO—A top Foreign Ministry official denied Monday [7 February] U.S. claims that Foreign Minister Tsutomu Hata is responsible for bilateral trade framework talks on the whole.

Vice Foreign Minister Kunihiro Saito told a press conference that it is "somewhat inadequate" to say Hata is responsible in overseeing the framework talks because

three government ministries are in charge of three fields in the talks. But Hata will naturally fulfill his role as the foreign minister and deputy prime minister, Saito said.

Saito said if subcommittee-level talks fail to reach accords by the time Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton meet on Friday, the Japanese negotiators may ask for Hata's judgment. But it is still unclear if Hata will directly take part in negotiations, he said.

The U.S. Trade Representative's Office issued a statement Friday saying Hata is responsible for the bilateral negotiations and that Trade Representative Mickey Kantor will be in contact with Hata "on a daily basis" in the coming days.

Japan and the United States remain at loggerheads over a U.S. demand that "objective criteria" be set to gauge foreign access to Japan's markets. The two sides will reopen subcommittee-level talks in Washington Monday in a last-ditch effort to wrap up the talks before Friday's summit in Washington.

Tokyo and Washington are expected to draw up a progress report on the framework talks, initialed in July, in time for the summit.

Hosokawa Plans To Discuss PRC With Clinton

OW0702130094 Tokyo KYODO in English 1248 GMT
7 Feb 94

[Text] Tokyo, Feb. 7 KYODO—Prime Minister Morihiro Hosokawa will urge U.S. President Bill Clinton in upcoming talks to extend U.S. trade privileges for China and support its early admission to the GATT world trade body, government sources said Monday [7 February]. Hosokawa, slated to meet Clinton in Washington on February 11, will point out that improvement in Sino-U.S. relations will contribute to Asian stability, the sources said.

The Foreign Ministry expects Beijing to retaliate should Clinton refuse to renew China's most-favored-nation (MFN) status, which guarantees Chinese goods low-tariff access to the U.S. market, the sources said. Clinton has said he will not extend MFN for China when it comes up for renewal in June, unless Beijing makes significant efforts to improve the country's poor human rights record, such as by releasing political prisoners.

Washington was also not satisfied with the results of talks between U.S. Secretary of State Warren Christopher and Chinese Foreign Minister Qian Qichen in Paris last month, which revolved around the human rights issue.

Earlier this month, the U.S. State Department in its annual human rights report said that China, despite having made some positive moves in 1993, still falls "far short" of internationally recognized standards.

Hosokawa will reportedly tell Clinton that Tokyo considers it unlikely that Beijing will improve human rights in response to U.S. pressure, the sources said.

Chinese retaliatory measures in the event of the suspension of MFN would also affect trade with other countries including Japan, the premier will say, according [to] the sources.

Foreign Minister Tsutomu Hata, during a recent visit to China, assured the Beijing leadership of Japanese support for China's GATT application.

Hosokawa will also advise Clinton not to upset China in order to gain its cooperation in peacefully solving the almost year-long row over North Korea's alleged nuclear weapons program, the sources said.

JAL Chooses Pratt, Whitney as Engine Supplier

*OW0302120094 Tokyo KYODO in English 1114 GMT
3 Feb 94*

[Text] Tokyo, Feb. 3 KYODO—Japan Airlines Co. (JAL) has selected Pratt and Whitney of the United States as its supplier of engines for a new generation of medium-size airplanes to be introduced in fiscal 1995, company officials said Thursday [3 February].

The officials said JAL will purchase 44 PW4000 series engines, worth a total of 440 million dollars, for Boeing 777s, an all-new wide-bodied twin-engine model that seats up to 440 passengers.

JAL had considered General Electric Co. Of the U.S. and Rolls-Royce PLC of Britain as possible engine suppliers.

With the decision, JAL joined rival airlines all Nippon Airways Co. (ANA) and Japan Air System Co. (JAS) in buying Pratt and Whitney engines for the same Boeing planes. The three airlines plan to cooperate in repair and maintenance work on the aircraft.

Court No Longer Seeks Compromise in Noise Suit

*OW0402162094 Tokyo KYODO in English 1502 GMT
4 Feb 94*

[Text] Tokyo, Feb. 4 KYODO—The Tokyo High Court decided Friday [4 February] not to any longer seek an out-of-court compromise in a suit in which local residents are demanding government compensation for high noise levels at the U.S. Yokota Air Base on the outskirts of Tokyo.

Residents living near the U.S. base held talks with the government over the court's compromise proposal but the two sides failed to reach agreement.

Presiding Judge Kiyoshi Uetani said he had decided to give up seeking a compromise and will deliver the court's judgment on the case on March 30.

Some 600 residents are demanding the Japanese Government ban flights from the base between 9 p.m. and 7 a.m., and pay compensation for their suffering both in the past and in the future.

In March 1989, the Tokyo District Court rejected the demand for a ban on the night flights and compensation for future annoyance but ordered the government to pay 330 million yen in compensation for past victimization.

In November 1993, the high court presented a compromise to the two sides including a proposal that flights not be permitted between 10 p.m. and 7 a.m.

Although the residents expressed acceptance of the compromise, the government put forward an alternative offer made up of other reconciliatory conditions.

The residents were dissatisfied with the government's new offer and called on the government to state clearly that it will make an effort to reduce noise levels in future.

The two sides held a total of seven rounds of talks at the court in order to try and reach a compromise before finally breaking off the discussions.

Firm To Supply Telecom Exchanges to SRV

*OW0702090594 Tokyo KYODO in English 0856 GMT
7 Feb 94*

[Text] Tokyo, Feb. 7 KYODO—Mitsui and Co. will supply the city of Haiphong in Vietnam with Northern Telecom Canada Ltd.'s telephone exchanges, the trading company said Monday [7 February]. The Vietnam Post and Telecommunications Ministry has put in orders for digital exchanges and optical telecommunications systems worth 6.1 million U.S. dollars, it said.

Mitsui will help the Vietnamese side make the purchase. European and U.S. companies are actively entering the Vietnamese telecommunications market which is thought seen to have strong growth potential.

Russian Official Yakovlev Meets With Hata

*OW0302114494 Tokyo KYODO in English 1129 GMT
3 Feb 94*

[Text] Tokyo, Feb. 3 KYODO—Russia will continue pursuing reforms now that the basis for democratization has been established through a new constitution, Aleksandr Yakovlev, president of Russia's Center for Studies of Contemporary Japan, said Thursday [3 February].

Yakovlev made the remarks in a meeting with Foreign Minister Tsutomu Hata, Foreign Ministry officials said.

Yakovlev also told Hata that pessimistic views abroad about Russia's situation following December 12 parliamentary elections are not true, the officials said.

Hata told Yakovlev that Japan is closely watching developments around Russia's reforms, which he hopes will succeed, they said.

Yakovlev was here to attend a trilateral meeting of academics, government officials and military brass from Japan, Russia and the U.S., which ended Wednesday.

Earlier in the day, Hata met participants—Deputy Foreign Minister Georgiy Mamedov, Gen. Andrey Nikolayev, head of the Russian Federal Border Service and Commander-in-Chief of the Border Forces and Col. Gen. Vladimir Zhuberenko, deputy chief of Joint Staff of the Armed Forces.

Mamedov told Hata that the two-day gathering allowed the two nations to confirm common interests on broad international problems, the officials said.

He was also quoted as saying that President Boris Yeltsin's visit to Japan last September and the recent meeting boosted close dialogue and deepened bilateral ties.

Mamedov welcomed Hata's visit to Russia, and Hata replied he wants to visit after studying results of bilateral working-level talks on a territorial dispute later this month in Moscow, they said.

Russian Japanologist: Islands Dispute Must Wait
OW0702113494 Tokyo KYODO in English 1114 GMT
7 Feb 94

[Text] Tokyo, Feb. 7 KYODO—A territorial dispute between Japan and Russia might not be resolved until a new generation of politicians comes to power in Russia, a leading Russian Japanologist said in Tokyo on Monday [7 February].

Konstantin Sarkisov, director of the Center for Japanese Studies at the Institute of Oriental Studies, told KYODO NEWS SERVICE that democratization in Russia has made it possible for opponents of the former communist regime to air their views. He said this has made a solution to the territorial dispute more difficult than it might have been when Russia was part of the Soviet Union.

The disputed islands, known in Japan as the northern territories, are Kunashiri, Etorofu, Shikotan and the Habomai group of islets. The islands, which lie off the northernmost main Japanese island of Hokkaido, were seized from Japan by the former Soviet Union at the end of World War II.

Sarkisov, 51, an Armenian educated at Leningrad State University, said the new Russian Constitution ensures that President Boris Yeltsin has the final say over foreign policy decisions in Russia.

But he said the December election in Russia in which conservatives, including ultranationalist Vladimir Zhirinovskiy, scored a big success, had made it more difficult for Yeltsin to take a strong stand on a controversial issue like the disputed islands.

Sarkisov said this could result in the present administration leaving any decision on the islands "to the next generation of politicians."

Sarkisov predicted there will be no dramatic change in Russo-Japanese relations under the current Yeltsin administration.

"It is just a matter of keeping up our contacts on a daily basis," he said.

The territorial dispute remains a stumbling block to normalization of relations between the two countries. Tokyo maintains it will not conclude a peace treaty with Moscow unless the territorial dispute is resolved.

Sarkisov said Russia has a "duty" to return at least Shikotan and the Habomais under the terms of a 1956 Japan-Soviet joint declaration to return the two islands on condition that the actual transfer would take place after the signing of a bilateral peace treaty.

Sarkisov said a settlement to the dispute would include the return of at least these two islands as well as a number of possible other options which he described as lying between "zero and the return of the remaining two islands." He said the options could include United Nations administration of the islands, or even their joint economic development.

"It's a problem of Russian pride," Sarkisov said. "First you must explain the facts to the Russian people."

Hosokawa at 'Northern Territories Day' Rally
OW0702043494 Tokyo KYODO in English 0424 GMT
7 Feb 94

[Text] Tokyo, Feb. 7 KYODO—Prime Minister Morihiro Hosokawa and other government officials attended Japan's annual rally Monday [7 February], demanding the return to Japan of a handful of Russian-held islands off the eastern tip of Hokkaido. Among the 1,500 participants in the "Northern Territories Day" rally at Kudan Kaikan in central Tokyo were Foreign Minister Tsutomu Hata and Koshiro Ishida, head of the Management and Coordination Agency.

A slide presentation on visa-free exchanges between Japan and the islands, which were initiated in 1992, and a signature drive for a petition demanding the return of the islands are scheduled for Monday afternoon.

Etorofu, Kunashiri, Shikotan and the Habomai group of islets were seized by Soviet troops at the end of World War II. Japan has refused to sign a peace treaty or normalize relations with Moscow without a resolution of the islands issue.

February 7 was the date of the signing of the 1855 Russian-Japanese treaty of commerce, navigation and delimitation that set the border between Japan and Russia between the islands of Etorofu and Urup in the Kuril Archipelago.

Ozawa Believes DPRK Possesses Nuclear Arms

OW0602050294 Tokyo KYODO in English 0455 GMT
6 Feb 94

[Text] Tokyo, Feb. 6 KYODO—Shinseito [Japan Renewal Party] co-leader Ichiro Ozawa said Sunday [6 February] he believes North Korea already has nuclear weapons and predicted a power struggle after the country's leader Kim Il-sung steps down. "(North Korea) definitely has nuclear arms," Ozawa said during a morning television interview.

Ozawa, one of the main architects for the coalition government of Prime Minister Morihiro Hosokawa, however, did not give any evidence to back up his statements about the North's suspected nuclear arms development program.

"It (North Korea) is an unbelievably fanatical society," Ozawa said.

"There will be a battle to see who inherits power after Kim Il-sung. There might be an upheaval on the Korean peninsula," he said.

Tokyo Plans To Scale Down Plutonium Production

OW0602085694 Tokyo KYODO in English 0842 GMT
6 Feb 94

[Text] Tokyo, Feb. 6 KYODO—Japan will scale down its extraction of plutonium from spent nuclear fuel, power industry sources said Sunday [6 February]. The new measures are contained in a long-term plan for the development and use of nuclear energy being prepared by the Atomic Energy Commission, the sources said.

Under the plan, the industry will also embark on long-term storage of large amounts of spent fuel on site at nuclear power stations, the sources said. They said the commission has decided to introduce sweeping changes in the fuel recycling system, a main pillar of Japan's energy policy, because of international disapproval over increased use of plutonium.

The sources said the commissioning of a second recycling plant planned in addition to one being built by the Japan Nuclear Fuel Ltd. at the village of Rokkasho in Aomori Prefecture will now be delayed by about 20 years from around 2010 until 2030. The timing of a third recycling plant would be decided around 2010, they said.

Delaying the commissioning of the second plant until 2030 will not affect demand for a plentiful supply of plutonium for a fast breeder reactor expected to be operational by that time, the sources said.

The plant now under construction at Rokkasho is designed to handle 800 tons of uranium annually, but spent fuel from the nation's power plants annually exceeds this amount and is expected to reach around 1,600 tons by 2010.

With the postponement of the second plant, Japan's reprocessing capacity will be significantly less than the supply of spent fuel. The sources said this will necessitate long-term storage of spent fuel that cannot be processed at the Rokkasho site.

Due to the consequent shortage of storage space at nuclear facilities, the revised plan suggests that space be sought outside the facilities and that existing space be expanded, the sources said.

Japan's plutonium policy has been a subject in the United States Congress. President Bill Clinton has expressed understanding of the policy, but has also written to congressional opponents of plutonium use to say he shares their opinion.

Mission Petitioned on Indonesian Human Rights

OW0402133094 Tokyo KYODO in English 1244 GMT
4 Feb 94

[Text] Tokyo, Feb. 4 KYODO—Amnesty International on Friday [4 February] urged a Japanese Government economic survey mission to discuss human rights infringements in Indonesia when it visits Jakarta from Sunday.

In a petition handed to Foreign Ministry officials and addressed to Nobuo Matsunaga, who will head the 20-member mission, the Japan branch of Amnesty urged Matsunaga to raise the issue of human rights abuses in East Timor, Irian Jaya and the North Sumatran state of Aceh.

Amnesty said it has monitored repeated cases of rape and torture of unarmed civilians in East Timor since the Indonesian takeover of the former Portuguese colony in 1975.

The petition said human rights abuses are common throughout Indonesia and that the Indonesian Government has detained more than 180 prisoners of conscience and more than 300 political prisoners "as a result of trials which are unfair by international standards".

Matsunaga is a former Japanese ambassador to Mexico and the United States and now serves as a roving ambassador for the government and adviser to the Foreign Ministry.

In June, 1993, Matsunaga told the United Nations World Conference on Human Rights in Vienna that expressing concern over human rights violations "should not be regarded as interference in internal affairs" and that human rights "should never be sacrificed to development."

The mission, which will stay in Indonesia until February 13, will consist of officials from government ministries and agencies including the Foreign Ministry, the Finance Ministry, the Ministry of International Trade and Industry and the Environment Agency. It will also hold high-level dialogue with the Indonesian Government on Japan's basic policy on economic cooperation.

Japan is the largest donor of ODA to Indonesia.

Government, Coalition Try To Settle Tax Issues

Ishihara: No More Time To Waste

OW0702072994 Tokyo KYODO in English 0720 GMT
7 Feb 94

[Text] Tokyo, Feb. 7 KYODO—The government and the ruling coalition parties are trying to resolve their differences on a tax system reform package before the day is out, Deputy Chief Cabinet Secretary Nobuo Ishihara said Monday [7 February].

Ishihara told a news conference that the push is being made to allow the Finance Ministry to compile the draft of the fiscal 1994 state budget before Prime Minister Morihiro Hosokawa flies to the United States on Thursday. "We have no more time to waste. The situation is fairly severe," Ishihara said.

Hosokawa is scheduled to meet U.S. President Bill Clinton on Friday to assess progress in trade talks being held under a bilateral trade framework accord concluded last July. The premier will return home Saturday.

Coalition parties remained divided over Hosokawa's proposal for a 6 trillion yen tax reduction retroactive to January 1 this year and a 7 percent tax on goods and services from April 1997.

The Social Democratic Party, the largest contingent in the seven-party coalition, has threatened to quit the coalition over the plan for a "national welfare tax," calling it a thinly disguised increase in the consumption tax rate, currently 3 percent.

Washington has voiced hopes for additional pump-priming measures by Japan, including a sizable income tax cut, because it believes this will help stimulate domestic consumer spending, increase imports and slash Japan's bulging trade surplus.

Hosokawa Meets With Leaders 5 Feb

OW0502132494 Tokyo NHK General Television
Network in Japanese 1003 GMT 5 Feb 94

[Announcer-read report; from "NHK News 7" program]

[Text] With the Council of the Representatives of Ruling Coalition Parties deciding to scrap the national welfare tax, Prime Minister Hosokawa held a series of meetings today with Foreign Minister Hata, Chief Cabinet Secretary Takemura, and others and made telephone calls to

members of the council. During the meetings and telephone conversations, the prime minister asked them to work for an intraparty coordination of views on the issue of securing financial resources to make up for a fiscal shortfall resulting from the income tax reduction, saying that he intends to draw a conclusion on the issue by 7 February.

Prime Minister Hosokawa held a series of meetings today with Foreign Minister Hata, Finance Minister Fujii, and Chief Cabinet Secretary Takemura at his official residence. After the meeting with the prime minister, Foreign Minister Hata said the prime minister told him he would draw a conclusion on the issue by 7 February. The foreign minister also made it clear that they agreed to draw a conclusion on the issue by 7 February. Prime Minister Hosokawa met with Chief Cabinet Secretary Takemura to discuss how to deal with the issue. Asked by a reporter after the meeting if there was no change in the prime minister's plan to draw a conclusion on the issue by 7 February, Chief Cabinet Secretary Takemura said he will have to draw a conclusion by that day.

Deputy Chief Cabinet Secretary Hatoyama, who met with the prime minister this evening, said the prime minister, speaking by telephone with representatives of the ruling coalition parties, asked them to coordinate views of the ruling coalition parties on the issue at the council.

Sakigake (Harbinger) and the Japan New Party affirmed their support for the national welfare tax, but proposed that the coalition parties discuss how to set its tax rate, when to put the new tax into effect, and draw a conclusion on them before the current Diet session ends. The two parties notified their affirmation and proposal to the prime minister. In response, the prime minister said: I hope the ruling coalition parties will fully discuss the issue and I intend to draw a conclusion on the issue by 7 February in light of compilation of the fiscal 1994 budget.

The ruling coalition parties held today a meeting of their secretaries in charge of tax affairs to discuss ways to handle the income tax reduction and secure financial resources to make up for a fiscal shortfall from the income tax cut, but no headway was made at the meeting.

Hosokawa: Welfare Tax Indispensable

OW0502121694 Tokyo KYODO in English 1158 GMT
5 Feb 94

[Text] Tokyo, Feb. 5 KYODO—Prime minister Morihiro Hosokawa met with key members of his cabinet Saturday [5 February] in a bid to mend a rift within the coalition government by Monday over his proposal for a new indirect tax that led to a near breakdown of the six-month-old alliance, his aides said.

Among the key officials Hosokawa met separately at his official residence were Chief Cabinet Secretary Masayoshi Takemura, Deputy Prime Minister and Foreign Minister Tsutomu Hata, and Finance Minister Hirohisa Fujii.

Hosokawa insisted that the new 7 percent levy on almost all goods and services, known as the "National Welfare Tax," is indispensable to secure funds for a 6 trillion yen tax reduction, which is a key element in the 15 trillion yen stimulus package, the aides said.

Political sources said the rift among the coalition parties is too deep to be healed by Monday, and could affect the government's efforts to compile the fiscal 1994 budget. The Hosokawa cabinet is scheduled to decide on the pump-priming package on Monday, a fiscal 1994 economic projection on Wednesday and a Finance Ministry budget plan for fiscal 1994 on Thursday.

Later on Thursday, Hosokawa is scheduled to leave Tokyo for a summit with U.S. President Bill Clinton in Washington the next day.

If things do not go smoothly, the government's plan to adopt the fiscal 1994 budget by February 15 may have to be delayed until February 20, political sources said.

In an early morning news conference on February 3, Hosokawa proposed reducing 6 trillion yen of taxes retroactive to January 1 and replacing the present 3 percent consumption tax with the 7 percent national welfare tax in April 1997. But the proposal hit major opposition from the Social Democratic Party, the largest among the seven parties in the ruling coalition, which threatened to quit the coalition unless the fresh tax plan was dropped. Even members of Hosokawa's Japan New Party voiced opposition to the new tax.

Coalition leaders went into huddles to debate the proposal and finally scrapped Hosokawa's tax cut and increase program on Friday, about 35 hours after Hosokawa's announcement.

On Saturday, policy-makers of coalition parties held an emergency meeting and reached a basic agreement on several key issues, including the 6 trillion yen tax cut plan, government sources said. The agreement also called for the establishment of a consultative body to discuss ways to raise funds for the tax cut, the sources said.

SDP Chairman Tomiichi Murayama told a news conference in Gifu, central Japan, that the 6 trillion yen tax cut should be carried out separately from the new tax proposal because it is part of the government's pledge to the United States.

He said the new tax proposal surfaced all of a sudden and still needs time for a careful study.

Murayama proposed forming a consultative panel from the coalition parties to discuss measures to fund the tax reduction.

The panel should discuss a vision to promote public welfare and administrative and fiscal reforms, while taking into account the domestic economic situation, he said.

Ichiro Ozawa, Shinseito [Japan Renewal Party] co-leader and the coalition's chief strategist, in a commercial television program aired Saturday, said the new tax is important for the graying Japanese society.

He said the welfare tax concept has gone through a democratic process, because it has been discussed by representatives of all the ruling parties since last year.

Yohei Kono, president of the main opposition Liberal Democratic Party, said Hosokawa and other responsible officials have to be blamed for the controversy.

"Remarks by the top political leader of a country bear heavy responsibility. To our great regret, Mr. Hosokawa showed a lack of principle," Kono said at a news conference in Otsu.

Kono urged the ruling coalition to make public the course of developments that led to Hosokawa's news conference to announce the imposition of the new indirect tax. He also said those who were involved in the developments must shoulder the blame.

Editorials Urge Government Decision

*OW0502032894 Tokyo KYODO in English 0252 GMT
5 Feb 94*

[Text] Tokyo, Feb. 5 KYODO—Japan's major dailies Saturday [5 February] called on the ruling coalition to unify opinions on a tax cut and formulate an economic stimulus package as soon as possible.

The ASAHI SHIMBUN said, "the attitude to scrap everything could not get support from the people nor understanding from the international community."

The major daily was referring to Friday's decision by the seven ruling coalition parties to scrap Prime Minister Morihiro Hosokawa plans to introduce a new indirect tax and implement a tax cut.

Hosokawa's package calls for a 6 trillion yen reduction in income tax and for replacing the current 3 percent consumption tax with a 7 percent "national welfare tax."

The leading daily urged the coalition to make its decision-making process transparent, noting that bureaucrats at the Finance Ministry might have pulled some behind-the-scene strings, hand-in-hand with a few influential coalition members in drawing up the tax plan.

The ASAHI also asked the coalition parties to calm down and immediately unify their views on economic policies. "Otherwise, the centripetal influence of the coalition would decay," the ASAHI said.

The MAINICHI SHIMBUN also slammed the government for its blurred process that brought about the plan, labeling it as "a decision without the people."

"If those who participated in making the decision were only a few people as reported, including Shinseito [Japan Renewal Party] leader Ichiro Ozawa and those from the Finance Ministry, without holding sufficient discussions within the government and the coalition, it is a reckless act that tramples the basic principles of democracy," the MAINICHI said.

It is rational for the Social Democratic Party, which was suddenly pressed to accept the tax plan, to have threatened to quit the coalition, the national daily said.

The prime minister should adjust opinions on a tax cut and its resources, and start drafting the fiscal 1994 budget after gaining a happy compromise, the MAINICHI said.

The largest circulation YOMIURI SHIMBUN said, "the Unusual situation revealed the structural limitation of the coalition government which is a hodgepodge of political parties with different political stance and basic policies."

"Under ordinary circumstances, a cabinet that committed such a serious blunder would have to resign en masse. However, it is not allowed to create a political vacuum in the face of such urgent problems as pump-priming, the fiscal 1994 state budget and relations with the United States," it said.

"Revocation of the prime minister's tax plan leaves deep cracks in the coalition and seriously deteriorates the leadership of the government," the daily said.

The YOMIURI urged the government to restructure itself to deal with the political quagmire.

The leading economic daily NIHON KEIZAI SHIMBUN said, "The government should recognize the severity of the economy bogged down in the worst recession in the postwar era and rush to fine-tune pump-priming measures by returning to its original stance of first implementing tax reductions."

"The government and the coalition should recall that what is needed for the Japanese economy in the serious recession is to carry out a large-scale income tax first," it said.

The NIHON KEIZAI asked the opposition Liberal Democratic Party to offer concrete proposals to the government if it recognizes the Japanese economy is facing a crisis.

Policy Affairs Council Meets 5 Feb

OW0502052294 Tokyo NHK General Television Network in Japanese 0300 GMT 5 Feb 94

[Announcer-read report over video; from the "NHK News" program]

[Text] While discussions are starting anew on the concept of reducing the income tax and instead instituting a public welfare tax as a source of revenue to cover the shortfalls resulting therefrom, the coalition parties started the work of finalizing key points of the 1994 budget in a policy meeting this morning.

The coalition parties held a meeting of the Policy Affairs Council at the Social Democratic Party of Japan [SDPJ] headquarters and began a final review of ministries' budget requests and details of the tax revenue plan, while excluding from it the matter of reducing the income tax and covering the shortfalls therefrom. The government is hoping to have a Finance Ministry draft of the 1994 budget completed [for submission to the cabinet] by 10 February.

Party officials in charge of taxation are due to join this meeting in the afternoon.

In the afternoon meeting, the parties are expected to exchange views concerning how the government and the ruling parties should adjust their stands on the question of financial resources to fund the cuts in revenue.

Meanwhile, Ichiro Ozawa, general secretary of Shinseito [Japan Renewal Party], when speaking on a commercial television program this morning, said that even though the mass media have claimed that the public welfare tax came out of nowhere, it has been discussed time and again in following the appropriate steps in the coalition parties. He said that people should stop speaking out emotionally and instead should start discussing the substance of the matter in a calmer manner.

On the other hand, Koken Nosaka, chairman of the SDPJ Diet Affairs Committee, spoke on a different television program and said: It is all right to discuss sources of revenue necessary for welfare, but the party's view is that two to three years should be allotted to such discussions. He said that the SDPJ has no choice but to quit the government should the latter insist on pushing ahead and going ahead with the plan.

Kono Urges SDJP-Shinseito Split

OW0502103994 Tokyo KYODO in English 1022 GMT 5 Feb 94

[Text] Otsu, Feb. 5 KYODO—Liberal Democratic Party President Yohei Kono on Saturday [5 February] urged the Social Democratic Party [of Japan, SDPJ], the largest of the seven parties in the ruling coalition, to part with Shinseito [Japan Renewal Party], the No. 2 governing party.

Kono, speaking at an LDP fund-raising party in Otsu, asked, "can the SDP share political responsibility with Shinseito?"

Shinseito co-leader Ichiro Ozawa, who is regarded as the coalition's chief strategist, has called for raising the consumption tax rate to 10 percent from present 3 percent, Kono said.

The SDP strongly opposed the consumption tax, a value-added tax, when it was imposed five years ago on almost all goods and services.

Earlier this week, the SDP opposed Prime Minister Morihiro Hosokawa's proposal to replace the 3 percent consumption tax with a 7 percent "National Welfare Tax" in three years' time.

Kono, leader of the biggest opposition party, said he does not think the present government's policies will benefit the Japanese people.

"The LDP will struggle with a firm resolve to establish a government that can meet the expectations of the people," he said.

Kono also expressed concern with Komeito for joining the coalition, saying he cannot agree with Komeito's deep involvement in the country's policymaking.

He alluded to Komeito's links with Japan's largest Buddhist lay organization, the Soka Gakkai.

Komeito is the fourth largest group in the coalition, following the SDP, Shinseito and the parliamentary alliance of Hosokawa's Japan New Party and Chief Cabinet Secretary Masayoshi Takemura's Sakigake (Harbinger).

Murayama Reiterates Tax Opposition

OW0502144494 Tokyo NHK General Television Network in Japanese 1004 GMT 5 Feb 94

[Announcer-read report over video; from "NHK News 7" program]

[Text] At a news conference in Gifu City, today Tomichi Murayama, chairman of the Social Democratic Party of Japan [SDPJ], stated that a 6-trillion-yen reduction in income and residential tax is necessary to boost the sluggish economy. With regard to a source to finance the proposed tax cuts, Chairman Murayama indicated that a consultative body should be set up to make a decision on this issue while watching the economic trend.

[Begin Murayama recording] A consultative body has to be set up to decide on a revenue source for implementing tax cuts, and it is necessary to watch the economic situation after economic pump priming measures are taken. In line with discussion on administrative reform, a welfare vision, and other issues, a decision should be made on how to cover the cost of the proposed tax cuts. [end recording]

Chairman Murayama said such a view is basically the same as views of Sakigake [Harbinger] and the Democratic Socialist Party. He indicated that it would be possible to reach an accord if the ruling parties make no bones about the timing for making the decision at the proposed consultative body. Moreover, Chairman

Murayama reiterated his criticism of the idea of introducing the National Welfare Tax. He indicated that the SDPJ for its part intends to demand that a pension-oriented tax be introduced to finance basic pensions.

Coalition Policymakers on Land Tax

OW0502121194 Tokyo KYODO in English 1122 GMT 5 Feb 94

[Text] Tokyo, Feb. 5 KYODO—Policy-makers of the seven parties in the ruling coalition agreed Saturday [5 February] to expand relief measures for land taxes as part of tax reforms for fiscal 1994, party officials said.

The agreement calls for lightening the tax burden on capital gains on real estate. It also proposes making land used for public purposes such as parking subject to tax relief on a new land tax called the land value tax, they said.

These measures will be included in a tax reform package expected to be announced early next week, they noted.

Ozawa: Willing To Make Concessions

OW0602052794 Tokyo KYODO in English 0513 GMT 6 Feb 94

[Text] Tokyo, Feb. 6 KYODO—Ichiro Ozawa, a main strategist for the coalition government, suggested his readiness Sunday [6 February] to make all-out concessions to the Social Democratic Party (SDP) over the issue of creating a new tax to make up for revenue shortfalls from planned large-scale income and residential tax cuts. Commenting on Prime Minister Morihiro Hosokawa's proposal to introduce a 7 percent indirect tax, Ozawa said on a television show that he accepts the idea of setting up a new tax as a special purpose levy on condition that the public will approve.

In a predawn news conference Thursday, Hosokawa announced the plan to impose the 7 percent "national welfare tax" on almost all goods and services from April 1997. It would replace the current 3 percent consumption tax, whose revenues go into the nation's general account budget.

In protest against the new tax, the SDP, the largest force in the seven-party coalition government, has threatened to withdraw its six ministers from the cabinet and quit the government, saying the new tax would amount to a de facto doubling of the current consumption tax.

The SDP has demanded that any increase in revenue from the new tax be specifically allocated for welfare purposes and that a forum be set up within the coalition to discuss when the tax should be raised and by how much.

Leaders of the government and coalition parties will meet again Monday to seek a compromise on the matter.

Differences within the coalition parties and the government over the issue have forced the government to delay announcing a much-awaited massive economic stimulus package, including 5.3 trillion yen in income and residential tax cuts.

Coalition Heads Vow To Settle Rift

OW0602132394 Tokyo KYODO in English 1246 GMT
6 Feb 94

[Text] Tokyo, Feb. 6 KYODO—Leaders of the ruling coalition parties agreed Sunday [6 February] to settle on Monday a rift over how to finance a 6 trillion yen tax cut and to launch a 15 trillion yen fresh pump-priming package, coalition officials said. Heads of the seven parties, except Prime Minister Morihiro Hosokawa, reached the agreement at a meeting at the head office of Rengo, Japan's largest labor organization, which played a key role in helping the parties form the coalition last April.

Leaders of the Social Democratic Party (SDP), Shinseito (Japan Renewal Party), Komeito, the Democratic Socialist Party (DSP), Sakigake (Harbinger), and the United Social Democratic Party (USDP) attended the meeting.

The chief of the Democratic Reform Party, a minor parliamentary group in the House of Councillors, also joined. Hosokawa, who heads the Japan New Party (JNP), was absent.

Chief Cabinet Secretary Masayoshi Takemura, who met Hosokawa at his official residence, told reporters that Hosokawa hopes for a solution to the tax dispute as early as Sunday, and by Monday at the latest.

Takemura said, "the prime minister will give a decision if representatives of the coalition parties cannot reach a solution."

At Sunday's meeting, the coalition leaders agreed to first implement the 6 trillion tax reductions and to establish an interparty consultative body to discuss a new 7 percent indirect tax, which Hosokawa proposed as a revenue source for the cuts.

Rengo President Akira Yamagishi told a news conference that he will ask the coalition to reach a conclusion in one year's time on the matter of revenue sources.

"I hope the coalition will decide in one year. There will be no progress as long as the SDP continues to insist on two years' time," Yamagishi said.

The SDP, the largest among the seven ruling parties, has called for a large tax cut and for discussion in two years on how to finance the tax reduction.

Other coalition parties have agreed to formulate a conclusion in one year's time.

Attendees at the Sunday gathering were SDP Chairman Tomiichi Murayama, Shinseito leader Tsutomu Hata,

Komeito Chairman Koshiro Ishida, DSP Chairman Keigo Ouchi, Sakigake leader Takemura, USDP head Satsuki Eda, and Yasumatsu Hoshikawa, head of the Democratic Reform Party.

In the coalition, Hata serves as deputy prime minister and foreign minister, Ishida as director general of the Management and Coordination Agency, Ouchi as health and welfare minister, and Eda as director general of the Science and Technology Agency. The seven met before attending Rengo's Central Executive Committee session.

Meanwhile, Shinseito co-leader Ichiro Ozawa, a main strategist for the coalition government, suggested his readiness Sunday to make all-out concessions to the SDP.

Ozawa, appearing on Fuji TV's "News Report 2001" talk show, said he accepts the idea of imposing the new indirect tax as a special-purpose levy for welfare affairs only.

Last week, Hosokawa announced a 6 trillion yen tax cut retroactive to January 1 and also proposed imposing a 7 percent "National Welfare Tax" effective from April 1997 to offset resultant revenue shortfalls. But the tax cut and increase program hit a snag in the wake of strong opposition from the SDP, which threatened to quit the coalition unless the new tax plan was dropped.

On Friday, the coalition scrapped Hosokawa's program and agreed to spend more time discussing it, averting a major political crisis that could lead to a breakup of the six-month-old Hosokawa cabinet.

Hosokawa has repeatedly expressed hope for an early solution to the tax dispute in time for his departure to the United States on Thursday for a summit with U.S. President Bill Clinton. The Clinton administration has been urging Japan to take drastic economic stimulus measures to pull its slumbering economy out of a recession, revive consumer spending and thereby pare down Japan's huge trade surplus with the United States totaling 50 billion dollars annually.

Government sources said the Hosokawa cabinet was compiling the 15 trillion yen stimulus package featuring the 6 trillion yen tax cut as well as increased public works spending in the face of a veiled U.S. threat to invoke its Super 301 retaliatory trade provision.

The SDP has blasted Hosokawa's tax plan as a ploy to force the nation to accept a de facto more than double the current 3 percent consumption tax rate, and merely renaming it a "National Welfare Tax."

The SDP has argued that the coalition should insert into the legislation wording that would ensure all fresh revenue from the new tax be used solely for welfare purposes. But the Finance Ministry has resisted the demand, saying that such a provision would tie the hands of the government in funneling the revenue to fund various policy measures.

The SDP has insisted on the abolition of the consumption tax imposed five years ago. It boosted its parliamentary strength in a 1989 House of Councillors election shortly after the then cabinet of Prime Minister Noboru Takeshita imposed the levy.

Kumano Defends New Welfare Tax

*OW0702070094 Tokyo KYODO in English 0647 GMT
7 Feb 94*

[Text] Tokyo, Feb. 7 KYODO—A senior trade ministry official Monday [7 February] indirectly defended the controversial new 7 percent national welfare tax proposed by Prime Minister Morihiro Hosokawa last week.

The idea of replacing the current 3 percent consumption tax with the welfare tax in April 1997 was not conceived "abruptly" as widely reported, Hideaki Kumano, vice international trade and industry minister, told a regular press conference.

The idea resulted from full-fledged discussion on reform of the tax system that was launched by the government's tax commission last September, Kumano said.

Creation of the best tax system to meet the needs of the graying society was one of the aims Hosokawa mentioned in a new year speech and the Advisory Group for Economic Restructuring, an advisory body to the premier, called for a system suitable on a long-term basis toward the next century.

The Social Democratic Party, the largest party in the ruling coalition, dismissed the welfare tax as having been announced without proper procedures being followed among parties concerned.

Apparently in response to strong criticism of the new tax from both the SDP and the public, Hosokawa retracted the original proposal a day after announcing it.

At present, views are being coordinated to form a new consensus among the seven parties in Hosokawa's coalition.

The Ministry of International Trade and Industry is waiting for "a political decision" to settle the matter, Kumano said.

Official: MOF To Draft New Plan

*OW0702060394 Tokyo KYODO in English 0546 GMT
7 Feb 94*

[Text] Tokyo, Feb. 7 KYODO—The Finance Ministry [MOF] is to draft a new plan, including linking tax cuts and tax hikes, a senior ministry official said Monday [7 February].

Prime Minister Morihiro Hosokawa ordered Finance Minister Hirohisa Fujii to revise a previous tax plan announced by the premier last week, after leaders of the coalition parties asked the government on Monday to come up with a new plan, the official at the ministry's tax

bureau said. But the ministry, he said, will "not change its policy to include tax cuts and hike in a single program."

The official declined to comment on whether the new plan would call for a tax which limits revenue use to special purposes.

Hosokawa told Fujii to draft a plan "as soon as possible," the official said. Hosokawa last week announced a "national welfare tax" similar to the consumption tax to offset income and corporate tax cuts, but the ruling coalition rejected the proposal.

The ministry official later corrected his comments, saying the Prime Minister's Office contacted Fujii again to explain that Hosokawa told the coalition leaders he would have the Finance and Home Affairs Ministries "help" the coalition form a new tax plan.

Hosokawa told Sakigake representative Hiroyuki Sonoda to reach a final decision on the tax plan at the coalition meeting, according to the Finance Ministry official.

Official: No Progress Apparent

*OW0702092494 Tokyo KYODO in English 0910 GMT
7 Feb 94*

[Text] Tokyo, Feb. 7 KYODO—The governing coalition apparently made no progress in a Monday [7 February] afternoon meeting aimed at crafting a tax reform package, a senior Finance Ministry official said. "There is no change in the situation," the official, who declined to be identified, said on returning to his office after meeting coalition leaders.

The official said the ministry is sticking to its policy that any tax cut be linked explicitly with the timing and rate of other measures that would fund the loss of revenue. He declined further comment.

"The administrative side is united with the (finance) minister who insists that the issue be dealt with in one go," said Vice Finance Minister Jiro Saito. "In that sense, we haven't changed our stance."

Saito confirmed that Prime Minister Morihiro Hosokawa ordered Finance Minister Hirohisa Fujii to help the coalition parties in "technical aspects" to make a final decision on the tax issue. He would not comment further, saying it would be inappropriate when the coalition parties are still holding negotiations.

After Fujii was summoned to the prime minister's residence, the senior ministry official told reporters that the ministry had been ordered to draft a new plan. But he later amended his remarks, saying the prime minister's office contacted Fujii again to say that Hosokawa told the coalition leaders he would have the finance and home affairs ministries "help" the coalition form a tax plan.

With that support, Hosokawa told Sakigake [Harbinger] representative Hiroyuki Sonoda to decide on the coalition's plan at the meeting, the official said.

The coalition has been in turmoil over the tax issue, a key component of the government's promised economic stimulus package, which was to have been issued Friday.

Hosokawa announced a package early Thursday of 6 trillion yen in tax cuts to be offset in 1997 by raising the 3 percent consumption tax to a 7 percent "national welfare tax."

But the plan was sent back to the drawing board because of stiff opposition led by socialists in the coalition. They demanded that the tax increase be delayed and any new taxes be earmarked for programs to address the country's aging society.

The socialists, who form the biggest bloc in the seven-party coalition, threatened to quit—leaving Hosokawa with a weak, minority government. Hosokawa told Fujii to draft a new plan "as soon as possible," the official said.

Kono Urges Hosokawa To Keep Word

OW0702100294 Tokyo KYODO in English 0954 GMT
7 Feb 94

[Text] Tokyo, Feb. 7 KYODO—The leader of the opposition Liberal Democratic Party (LDP) on Monday [7 February] urged Prime Minister Morihiro Hosokawa to keep his word to implement a tax cut or hand over power to the LDP. "The prime minister must take responsible action and live up to the words he has uttered so explicitly," LDP President Yohei Kono said in a lecture delivered in Tokyo.

On the issue of tax policy, Kono said the government "cannot take a sweeping political decision without the cooperation of the LDP, but we are reluctant to extend support since the government is so indecisive."

Kono was apparently referring to the ruling coalition leaders' decision last Friday to rescind Hosokawa's plan to finance a 6 trillion yen tax cut this year with the imposition of a 7 percent indirect levy on most goods and services sold in Japan, starting in 1997.

"When the coalition cabinet was inaugurated, Hosokawa used to say he will formulate policies from the standpoint of ordinary people. Where is his standpoint at this moment?" he asked.

Tax Cut Without Funds Rejected

OW0702105194 Tokyo KYODO in English 1042 GMT
7 Feb 94

[Text] Tokyo, Feb. 7 KYODO—Kan Kato, the head of the government's Tax Commission, on Monday [7 February] reiterated his opposition to the idea of reducing income tax without securing funds to finance the lost

revenues. Implementing tax cuts in such a manner would pose "a great problem" to the overall tax structure, Kato told a press conference after attending the commission's general meeting.

He rejected the latest proposal by the Social Democratic Party (SDP) to first of all implement a tax cut to turn around the ailing economy, while a consultative body considers how to cover the cuts.

The political wrangling over the tax issue turned serious when Prime Minister Morihiro Hosokawa decided to introduce the 7 percent "National Welfare Tax" last week. Faced with strong opposition from the SDP, the largest force in the coalition government, Hosokawa retracted the decision the day after announcing it.

In a bid to break the impasse, SDP Chairman Tomiichi Murayama proposed setting up a consultative body and allowing it two years to decide how to cover the lost revenues. There is no guarantee that the consultative body would come to a conclusion within a fixed period of time, Kato said, terming the SDP's plan "a hypothetical guarantee."

Kato then cited the possibility of tax cuts being slashed from the original figure of 6 trillion yen, if funds to repay them are not ensured.

The Tax Commission is still firmly in favor of linking the tax cut and hike as proposed in its report to the prime minister last November, Kato said.

Monday's general meeting by the commission is intended to wrap up a tax reform plan for fiscal 1994, starting in April. If the current political confusion continues, the release of a reform proposal would be delayed from the scheduled date of Wednesday.

Three Rounds of Talks Held 7 Feb

OW0702123494 Tokyo KYODO in English 1206 GMT
7 Feb 94

[Text] Tokyo, Feb. 7 KYODO—Representatives of the seven ruling coalition parties failed Monday [7 February] to reach a compromise on how to finance a 6 trillion yen tax cut, a pillar of the government's planned stimulus package, and only agreed to meet Tuesday, coalition sources said.

The representatives held three rounds of talks on and off throughout Monday in a bid to revise Prime Minister Morihiro Hosokawa's tax program that is still threatening to split his coalition. They agreed to meet at 10:30 A.M. [0130 GMT] Tuesday, the sources said.

The third round, which started at around 7:00 P.M. after the previous two rounds broke down, lasted only one hour, because of persistent opposition from the Social Democratic Party (SDP), which is demanding a major revision to the program, the sources said. In an eleventh-hour bid to placate the SDP, Hosokawa instructed his

colleague, Hiroyuki Sonoda, to sketch out a compromise version of the program combining a new indirect tax with a tax cut.

Sonoda, leader of the alliance of Sakigake (Harbinger) and the Japan New Party, immediately devised and presented the compromise version at a meeting of representatives of the coalition parties, only to find the SDP remaining unconvinced.

The SDP threatened last Thursday to quit the coalition unless Hosokawa agrees to accept its demands to revise the core aspects of the tax proposal, including a demand to insert a clause obliging all revenue from the new tax to be used for welfare-related outlays. Hosokawa, however, has remained reluctant to completely redesign his national welfare tax program, making it difficult to narrow the gulf with the SDP, they said.

The SDP is the biggest force in the coalition. Its withdrawal would lead to the breakup of the coalition.

Hosokawa wants the issue settled before his departure on Thursday for the United States for a summit with President Bill Clinton.

In the morning meeting, SDP Secretary General Wataru Kubo told his coalition counterparts that the party will not agree to further talks unless Hosokawa agrees to revise core aspects of the tax plan.

The SDP also demanded that the coalition not specify the rate of tax when introducing the text of the proposed legislation onto the Diet floor, they said.

Kubo told the coalition leaders during the morning session, "if this parley is merely designed to convince us to accept the original tax proposal, we cannot help but turn it down." However, Kubo said that if the coalition devised satisfactory revision proposals, the party would agree to further negotiations.

The Clinton administration has called on Tokyo to take steps to implement tax cuts as a way of reviving stagnant consumer spending and to whittle down Japan's huge trade surplus.

Coalition Agrees To Meet 8 Feb

OW0702114194 Tokyo KYODO in English 1127 GMT
7 Feb 94

[Text] Tokyo, Feb. 7 KYODO—Leaders of Japan's governing coalition parties failed to agree on a key tax plan Monday [7 February], postponing the decision until Tuesday morning, sources said. Meeting throughout the day, the leaders of the seven parties remained divided on how to fund the tax cuts—an issue that has threatened to split the coalition, the sources said.

They are to meet at 10:30 A.M. Tuesday to attempt once again to forge the tax plan, a central part of the government's planned economic stimulus plan, the sources said.

Coalition Approves Income Tax Cut

OW0702131194 Tokyo KYODO in English 1304 GMT
7 Feb 94

[Text] Tokyo, Feb. 7 KYODO—Japan's governing coalition agreed Monday [7 February] to a 6 trillion yen income tax cut, postponing for a day the details of paying for it, government and coalition officials said. Prime Minister Morihiro Hosokawa agreed that the government will settle the divisive tax-cut issue by midday Tuesday, announce its delayed economic stimulus package in the evening and meet its Friday deadline for the Finance Ministry to craft its fiscal 1994 budget draft, Chief Cabinet Secretary Masayoshi Takemura said.

After a day of fruitless meetings and dashed compromise plans, coalition leaders agreed in the evening to essentially scrap Hosokawa's plan to change the 3 percent consumption tax to a 7 percent "National Welfare Tax" in 1997, sources said.

Instead, they will meet at 10:30 A.M. Tuesday to deal with setting up a consultative body of coalition members to decide within a year on funding the income tax cut, a key component of the stimulus package, the sources said.

Divorcing the stimulative tax cut from a hike in indirect taxes has been a key demand of the coalition's biggest member, the Social Democratic Party (SDP), which has threatened to quit the coalition if Hosokawa did not revise the welfare tax scheme he announced early Thursday. But the powerful Finance Ministry has been dead-set against the decoupling, insisting as late as Monday afternoon that any law cutting income taxes must explicitly set out the timing and rate of the offsetting tax hike.

Despite Hosokawa's apparent confidence in getting the budget draft out as planned by Thursday, when he leaves for a Washington summit with President Bill Clinton, the Finance Ministry indicated that the prolonged bickering was straining an already tight schedule.

The U.S. Government has repeatedly called for Japan to spur its domestic demand to boost imports and cut Tokyo's huge trade surplus. But the ministry will not be able to complete its draft budget for the coming fiscal year by Friday if the coalition does not settle the funding issue Tuesday, a ministry official said.

As it is, the coalition's failure to agree Monday on funding the cuts will make it "very difficult" for the government's Tax Commission to complete its final tax reform report for fiscal 1994 by its Wednesday deadline, which could affect the timing of the draft budget, a senior ministry tax bureau official said.

On the other hand, SDP leaders indicated approval of the plan to set up a consultative body to seek a funding agreement within a year, a plan that closely resembles the SDP's latest compromise proposal.

SDP Chairman Tomiichi Murayama met with other party leaders and appeared ready to accept the plan, but he chose to hold off on formal approval until the government made its next move, sources said.

The agreement on the 6 trillion yen in tax cuts, of which 5.3 trillion would be income and residential tax reductions, while putting off the thorny question of funding, followed three meetings of coalition leaders Monday and vain attempts to placate the SDP, sources said.

The SDP rebuffed proposals through the day. The party has said even talking about tax hikes is bad for the teetering economy and that any eventual revenues must be earmarked for welfare-related spending.

The day's proposals included one ordered by Hosokawa and crafted by his colleague Hiroyuki Sonoda, leader of the alliance of Sakigake (Harbinger) and the Japan New Party, combining a new indirect tax with the tax cuts.

In the rush to cobble together new plans, Hosokawa summoned Finance Minister Hirohisa Fujii to direct him to draw up a new ministry plan, then phoned Fujii minutes later to explain that the ministry was instead to help with the Sonoda plan, a bewildered ministry official said in the afternoon.

When the SDP balked at the Sonoda compromise, the secretary of coalition member party Komeito, Yuichi Ichikawa, stepped in with the plan that sealed the evening's half-agreement, sources said.

Under the plan, the name "welfare tax" would be scrapped and the consultative body would try to "deal responsibly" with the funding within a year, the sources said.

It remained unclear how the Finance Ministry and Tax Commission would respond. As late as Monday afternoon, both continued to blast the idea of cutting taxes now with only the vague promises of politicians as collateral for repayment.

A ministry official said in the afternoon there was no change in the ministry's stance. Fujii has repeatedly rejected any such unspecified funding scheme as "untreated," using a word usually reserved for raw sewage or human incontinence.

Tax Reform Plan Made 'Difficult'

OW0702133294 Tokyo KYODO in English 1312 GMT
7 Feb 94

[Text] Tokyo, Feb. 7 KYODO—A failure to agree on funding for tax cuts in talks between the seven ruling coalition parties has made it difficult for the government's Tax Commission to announce a tax reform plan for fiscal 1994 by Wednesday, a senior Finance Ministry official said Monday [7 February].

"We are facing the final time limit," the tax bureau official said in a brief exchange with reporters after

Monday's talks failed. The comment came after the coalition party leaders left the negotiation table without agreeing on the key issue of how to finance the proposed tax cuts of 6 trillion yen.

Due to lingering political wrangling over the tax issue, the release of the next year's tax reform outline has already been postponed from Tuesday, as originally scheduled.

It is not technically impossible to announce the tax outline on Wednesday, if a consensus is reached at resumed talks Tuesday, the official said. But he added that it has become "very difficult" to do so in view of the likely revisions in the original tax proposal by the Tax Commission, the official said.

The commission, an advisory body to the prime minister, recommended in a report presented to him last November linking a tax cut with a tax hike to finance it in a single law.

A further delay in outlining the next year's tax reform would affect political and economic schedules that follow, including the government's announcement of Japan's economic growth target for fiscal 1994, formation of the Finance Ministry's draft budget for the year and the Japan-U.S. summit in Washington on Friday, the official said.

Proposal's Outline 'Laid Down'

OW0702151594 Tokyo KYODO in English 1456 GMT
7 Feb 94

[Text] Tokyo, Feb. 7 KYODO—An outline of a fiscal 1994 tax reform proposal with the emphasis on rectification of tax inequities has been laid down, officials said Monday [7 February]. The outline, worked out by the government's tax commission, also calls for a relaxation of land taxes and a raise in the tax on non-whiskey liquors.

Details of the proposed 5.3 trillion yen income and resident tax cuts will be worked out after an agreement among the seven coalition parties on how to finance the tax reduction, commission officials said. The commission is due to announce a tax reform proposal on Wednesday.

A proposal to correct tax inequalities calls mainly for:

- 10 percent of enterprise expense accounts, even within the currently nontaxable limit, will be uniformly taxed;
- The nontaxable portion of business revenues of non-profit foundations like religious organizations will be reduced;
- A punitively heavy tax will be levied on funds whose uses are not accounted for.

Coalition Agrees on Liquor Tax*OW0702135794 Tokyo KYODO in English 1349 GMT
7 Feb 94*

[Text] Tokyo, Feb. 7 KYODO—The seven ruling coalition parties' policy coordinators agreed on the details Monday [7 February] of an increase in liquor tax rates on beer, sake and shochu (Japanese white distilled liquor) in response to complaints from European Union nations. The tax rates on whiskey, however, will be left unchanged.

The raise will increase the tax on beer by 8.86 yen per 633 milliliter bottle. The retail price of beer is likely to rise by 10 yen per bottle, coordinators said.

The raise, which will become effective in May at the earliest, has been sought by the EU countries, which complained that liquor tax rates on shochu are much lower than those on whiskey.

As a result of the increase, tax rates on whiskey will be 3.9 times those on grade A shochu instead of the existing 5.1 times, and 6.0 times those on grade B shochu instead of the current 8.7 times, the coordinators said.

The tax on sake will increase the price of a 1.8 liter bottle by 12.6 yen.

Effect on Presumptive Budget Viewed*OW0702144994 Tokyo KYODO in English 1443 GMT
7 Feb 94*

[Text] Tokyo, Feb. 7 KYODO—The Finance Ministry will be unable to draft its fiscal 1994 budget and the third fiscal 1993 extra budget before Prime Minister Morihiro Hosokawa meets President Bill Clinton on Friday if the coalition parties fail to agree on the tax issue on Tuesday, a ministry official said Monday [7 February]. His comments came after leaders of the coalition parties agreed on a 6 trillion yen tax cut but decided to convene again Tuesday to fill in the remaining gaps on how to finance the cut.

The budget bureau official, requesting anonymity, told reporters that even if a final decision is made, the ministry would have to work on a tight schedule for the budgets.

The advisory tax panel to the prime minister was scheduled to submit its report on fiscal 1994 tax reform, but postponed it until Wednesday.

But a tax bureau official told reporters that it would become difficult for the panel to submit the report by Wednesday, saying, "we are facing the final deadline." It is not technically impossible to announce the outline on Wednesday, if a consensus is reached at resumed talks Tuesday, he said.

But he added that it has become "very difficult" to do so in view of the likely revisions in the original tax proposal.

The panel recommended in a "medium-term" tax reform report last November linking in a single law an income tax cut with a consumption tax hike to offset it. The budget bureau official said if the schedule does not go smoothly, the ministry will have to put off the budget announcements until February 14 or after.

Toyota Motor Chairman Named Next Keidanren Head*OW0702101094 Tokyo KYODO in English 0940 GMT
7 Feb 94*

[Text] Tokyo, Feb. 7 KYODO—Shoichiro Toyoda, chairman of Japan's top automaker Toyota Motor Corp., has been named new chairman of the powerful Federation of Economic Organizations (Keidanren), federation officials said Monday [7 February].

Toyoda, 68, will succeed Chairman Gaishi Hiraiwa after the federation's general meeting scheduled for late May, the officials said.

Toyoda's selection was endorsed at a meeting between Hiraiwa and the organization's vice chairmen, they said.

Toyoda, who is currently one of the federation's vice chairmen, told reporters after the meeting he will seek the cooperation of other officials in managing the federation.

Hiraiwa, 79, said Toyoda's appointment as his successor will rejuvenate the federation's leadership.

Toyoda said after the meeting he would emphasize economic recovery and try to contribute to a healthy growth in the Japanese economy.

Masaru Hayami, head of the Japan Association of Corporate Executives (Keizai Doyukai), welcomed the selection of Toyoda as Keidanren's next chairman, citing automobile trade as the core of economic relations between Japan and the United States.

He expressed the hope that Toyoda will demonstrate the leadership, independent of the automobile industry, to cope with the difficult problems facing the Japanese economy.

Yoshinari Yamashiro, chairman of major steelmaker NKK Corp., said the federation will be able to tackle Japan-U.S. trade problems seriously under the new leadership.

Toyoda emerged as the strongest contender for the post after Akio Morita, chairman of Sony Corp. and one of the federation's vice chairmen, became ill last November.

Four vice chairmen of the federation, including Toyoda, are scheduled to quit their posts after serving two consecutive four-year terms and three successors have already been informally selected, Keidanren officials said.

The three new officers will be Sho Nasu, chairman of Tokyo Electric Power Co., Kenichi Suematsu, president of Sakura Bank, and Yotaro Kobayashi, chairman of Fuji Xerox Co. They will replace Ryoichi Kawai, chairman of Komatsu Ltd., Yotaro Iida, chairman of Mitsubishi Heavy Industries Ltd., and Hiroshi Saito, chairman of Nippon Steel Corp.

Current Account Surplus Hits New Record in 1993

OW0702070894 Tokyo KYODO in English 0649 GMT
7 Feb 94

[Text] Tokyo, Feb. 7 KYODO—Japan's current account surplus soared to a new record last year, with the surplus in December rising 9.3 percent, the Finance Ministry reported Monday [7 February].

The surplus in the current account, the broadest measure of trade in goods and services plus some unilateral transfers, totaled 131.35 billion dollars before adjustment for seasonal factors in 1993, up 11.7 percent from 1992, according to the ministry's preliminary report.

Within the current account, the merchandise trade surplus rose 6.9 percent to 141.43 billion dollars last year.

In December alone, the current account surplus rose 9.3 percent to 12.57 billion dollars, resuming an upward trend that halted in November. The December trade surplus rose 8.7 percent to 14.15 billion dollars.

MOF To Assist Financial Institutions' Mergers

OW0402054694 Tokyo KYODO in English 0512 GMT
4 Feb 94

[Text] Tokyo, Feb. 4 KYODO—The Ministry of Finance [MOF] unveiled new administrative guidance Friday [4 February] to help mergers of financial institutions burdened with nonperforming loans.

Ministry officials said the guidance is designed to help banking and nonbanking firms liquidate bad loans as quickly as possible to promote economic recovery.

Financial institutions were urged to actively utilize Cooperative Credit Purchasing Co. to rid themselves of bad loans or high-risk loans, the officials said.

The company is a joint venture established by about 150 commercial banks and finance firms to liquidate bad loans.

The ministry also urged financial institutions to consider transferring claims for which they have agreed to reduce or exempt interest payments to affiliates.

The guidance will be incorporated in a comprehensive package of pump-priming measures to be announced by the government in the near future, the officials said.

Poll: Public Welcomes Political Reforms

OW0502032294

[Editorial Report] Tokyo Asahi Television Network in Japanese at 0207 GMT on 30 January, in its regularly-scheduled "Sunday Project" program, which begins at 0100 GMT, announces in a two-minute report the results of a nationwide telephone poll conducted earlier during the program.

Announcer Kayoko Miyata says that responses were obtained from 929 eligible voters. The number of respondents to each question is not given, however. All polling figures are as heard.

In the wake of the Diet's approval of the political reform bills, an unidentified poller earlier asked pollees several questions on their reactions toward the enactment of the bills, as well as their views on economic trends. In response to the first question, which asks whether the respondents support the Diet's approval of the political reform bills, 72.2 percent of pollees say "yes," 14.4 percent say "no," and 13.3 percent say they "do not know." On the same question, 68.6 percent of pollees who are supporters of the Social Democratic Party of Japan say "yes," 17.1 percent say "no," and 14.3 percent say they "do not know."

When the pollees are asked if they have become more confident about the nation's politics after observing the process of the debates on political reform, the largest group, 33.5 percent, says that their attitude toward politics "remains unchanged" even after the reform bills have been enacted. Moreover, 33.4 percent say that their confidence in politics has been "damaged" through the process of debates. Only 17.9 percent say that they "became more confident about politics," while 8.9 percent say they "have no interest in politics," and 4.3 percent say they "do not know."

On a question which asks how the enactment of the bills is affecting the stagnant economy, 66 percent say that this "cannot boost the economy," and 26 percent say that it "might bring about some signs of an economic recovery." Only 3.7 percent say that this will "boost the economy," and 4 percent give other responses or the "do not know" answer.

Miyata next says that 76.9 percent of those polled expressed support for the Hosokawa cabinet. The report then ends.

Poll: Cabinet Support Decreases 21.1 Points

OW0702134394 Tokyo KYODO in English 1333 GMT
7 Feb 94

[Text] Tokyo, Feb. 7 KYODO—The public approval rate for Prime Minister Morihiro Hosokawa's cabinet decreased 21.1 percentage points within a week following his announcement early last Thursday of a controversial tax plan, TV Asahi reported Monday [7 February].

The support rate, which hit 77.4 percent on January 30 after Hosokawa succeeded in enacting crucial political reform bills, plummeted to 56.3 percent, TV Asahi said.

The television company conducted the opinion poll on Saturday and Sunday, covering 1,000 people aged 20 or older, of whom 70.8 percent responded.

Contractors Pledge To Refrain From Bid Rigging

OW0302064494 Tokyo KYODO in English 0552 GMT 3 Feb 94

[Text] Tokyo, Feb. 3 KYODO—Three top Japanese contractors have pledged to the Construction Ministry that they will not engage in illegal bid-rigging for public works contracts, construction industry sources said Thursday [3 February].

The presidents of Kajima Corp., Taisei Corp. and Shimizu Corp. gave the pledge to the ministry by the end of January, the sources said.

The three leading contractors have also started personnel changes as part of their efforts to prove their commitment to the pledge, the sources said.

A series of recent bribery scandals involving the nation's construction industry has led to the arrest of a number of senior executives of building firms, including former Kajima Vice President Shinji Kiyoyama.

Kiyoyama, who was indicted on charges of giving a 20 million yen bribe to former Ibaraki Gov. Fujio Takeuchi, was reportedly at the center of collusive bidding involving major contractors.

On January 25, Taisei decided at a meeting of its executive board to transfer Kanji Hayama from the post of sales manager to a position in charge of technology. The sources said Taisei's sales manager was previously often involved in dealing with other companies about price-fixing arrangements.

Shimizu, meanwhile, decided on January 28 on large-scale personnel changes and organizational reform for strengthening its inspection system, while Kajima is expected to decide personnel changes by the middle of this month, the sources said.

The moves come as the Construction Ministry plans to introduce a new open bidding system for public works projects in April.

North Korea

Daily Denounces U.S. for Reversing 'Promise'

SK0702051794 Pyongyang KCNA in English 0502 GMT 7 Feb 94

["We Have No Intention To Negotiate With a Faithless Partner"—KCNA headline]

[Text] Pyongyang, February 7 (KCNA)—The United States has totally reversed its promise to the Democratic People's Republic of Korea that it would seek only an inspection for the continuity of safeguards, and even raised the demand for a "special inspection" of two military sites which have nothing to do with nuclear activities.

Commenting on this, NODONG SINMUN today says this is a deliberate act of perfidy against the DPRK.

In a commentary titled "We Have No Intention To Negotiate With a Faithless Partner" the analyst says:

It is unequivocally stipulated in the agreement reached at the contact between the DPRK and the United States late last year that the DPRK was willing to accept an inspection purely for the continuity of safeguards. Such an inspection is clearly distinguished from routine and ad hoc inspections pursuant to the legal requirements of the Nuclear Nonproliferation Treaty [NPT]. It is based on the special position of the DPRK which has temporarily suspended the effectiveness of its withdrawal from the NPT. Still less can the "special inspection" be a matter of argument.

Nevertheless, the United States is urging the DPRK to accept a comprehensive inspection. This cannot be construed otherwise than an act to intentionally render the situation complicated and obstruct a peaceful solution to the nuclear issue.

No less grave is the fact that the United States has broken its promise to refrain from using all forces including nuclear weapons and threatening the DPRK with them. This is really the height of impudence, a mockery of the DPRK and the negation of dialogue itself.

The United States seems to think that it can force upon others more than what they promised while it can break its promise, because it is a big power. But we can never accept such a notion.

We will not entreat the United States to keep its faith. It is our will to answer faith with faith, and strong arm with a tough stance.

The U.S. hardline conservatives must stop running riot, clearly seeing whom they are dealing with.

Daily Exposes 'Sinister Intention' of U.S.

SK0602084594 Pyongyang KCNA in English 0833 GMT 6 Feb 94

["Ulterior Intention of Fanatics of Strength"—KCNA headline]

[Text] Pyongyang, February 6 (KCNA)—NODONG SINMUN today lays bare the sinister intention of the U.S. military and hardline conservative forces in increasing their military forces in and around South

Korea, crying over "missile threat" and "export of missiles" by the DPRK while kicking up a dust over its fictitious "nuclear issue".

"Missile threat" and "export of missiles" by the DPRK is a false propaganda invented by those bent on stifling it by military force, the analyst says, and goes on:

The U.S. bellicose quarters dislike the solution of the nuclear issue on the Korean peninsula and are trying to gratify their wild ambition for aggression on the DPRK at whatever cost. The U.S. hardline conservative forces are scheming to deploy Patriot missiles in South Korea and build a "theatre missile defence system" together with Japan on the pretext of the DPRK's "nuclear and missile threat". This is aimed at maintaining and strengthening their military position which is in danger in northeast Asia owing to the economic and military aggrandizement of Japan and at tightening control on Japan and South Korea under the cloak of "security".

As for the DPRK's defence power, it is self-defensive and the DPRK is a peace-loving state.

Missile threat is presented not by the DPRK but by the United States which is working to maintain and strengthen their military position in Northeast Asia.

The U.S. hardline conservative forces must not miscalculate the strength of the DPRK.

If they increase their military forces and dare choose to use strength, we will make a corresponding choice.

Countering 'Hard Line With Hard Line' Urged

SK0502013094 *Pyongyang KCNA in English 1019 GMT 4 Feb 94*

["United States' Perfidy Is Intolerable"—KCNA headline]

[Text] *Pyongyang, February 4 (KCNA)*—If the United States, breaking its promise to us, persists in the anti-socialist and anti-DPRK moves contradictory to the DPRK-U.S. joint statement, the DPRK will no longer be bound to the promise it has made to the United States, declares MINJU CHOSON in a commentary today.

It warns that the DPRK will counter hard line with hard line and its tough stance will be clearly shown in practice rather than in words.

Commenting on the creation by the United States of a grave crisis that may lead the process of the solution of the nuclear issue on the Korean peninsula to a collapse, the analyst says:

Officially urging the DPRK to accept the unjustifiable demand of the International Atomic Energy Agency (IAEA) for a comprehensive inspection, the United States is threatening that unless the demand is accepted it will not hold talks with the DPRK but take "sanctions". Worse still, they are even crying for a "special inspection" of the DPRK's two military sites which have nothing to do with nuclear activities.

The U.S. official quarters are blaring that another military rehearsal targeted against the DPRK will be staged, if the "Team Spirit" joint military exercises are suspended this year, that it would take place in other region if not in South Korea.

And the U.S. hardline conservative forces are promoting in full scale the supply of Patriot missiles to the U.S. troops present in South Korea under the pretext of coping with the DPRK's "missile attack."

The U.S. Administration hurriedly dispatched the director of the U.S. Central Intelligence Agency (CIA) to South Korea at the beginning of the new year to have a confab for "the intensification of intelligence against North Korea" and is operating in South Korea an "intelligence supporting team" composed of specialists of the CIA and the Defence Intelligence Agency. This clearly indicates that the new war provocation moves of the United States against the DPRK have reached a full-scale stage.

All the facts clearly prove that the United States has no intention at all to solve the nuclear issue of the Korean peninsula peacefully and is still pursuing the purpose of strangling the DPRK and destroying socialism with strength at whatever cost.

The United States should ponder over the matter, clearly understanding that with nothing can it frighten the Korean people.

MINJU CHOSON Calls U.S. 'Bluffing Paper Tiger'

SK0502105694 *Pyongyang KCNA in English 1044 GMT 5 Feb 94*

["U.S. New War Provocation Moves Denounced"—KCNA headline]

[Text] *Pyongyang, February 5 (KCNA)*—If the United States dare provoke a war against the DPRK, not minding the strong denunciation at home and abroad, it will suffer a more tragic and grave defeat than in the past Korean war, in which it was humbled and bruised all over, warns MINJU CHOSON in a commentary today.

The analyst says:

With the insidious intention to unleash a new war in Korea, the United States is stepping up arms buildup in and around South Korea and engaging itself in military espionage, watching for a chance of surprise strike at the DPRK.

Military moves and anti-DPRK rows of the U.S. war-thirsty quarters that have become all the more undisguised entering the new year, make it self-evident that, although the United States has run the whole gamut of tricks under the motto of "peace on the Korean peninsula" and "peaceful negotiations", they are, in essence,

intended to gain time for the completion of war preparations and it seeks to threaten and stifle the DPRK with arms at whatever cost.

No military pressure and strong arm can ever work on the Korean people who have Comrade Kim Chong-il, an ever-victorious iron-willed brilliant commander, as the supreme commander, with the leader, the party and the masses united in one mind.

Our people who know of the vulnerability of the United States better than anyone else and has the experience of a fight with it for three years regard it not as a "super power" but as a bluffing paper tiger.

Radio Denounces U.S. Report on Human Rights

SK0502013494 Pyongyang Korean Central Broadcasting Network in Korean 2308 GMT 4 Feb 94

[Text] According to a report, the U.S. State Department, in its annual report on the human-rights situation in the world, has raved absurdly as if the citizens in our country are not ensured with even basic human rights while enumerating on human-rights conditions in various countries. This is shameless interference in our country's domestic affairs and intolerable debasement of the popular mass-centered socialist system of our own style.

Our government of the Republic, which sets up as a firm policy to value the people and respect the people's rights, practically ensures the true sense of freedom and rights for all citizens and reliably guarantees a bountiful and happy life for them. The policy of the popular masses-centered socialism of our own style which embodies the *chuche* idea is the true human rights policy that respects and guarantees everyone's human rights to the maximum.

The fact that the United States, distorting a stern reality, comes out with the rumor on so-called human rights violations in North Korea is nothing but a cunning scheme aimed at staining the image of our Republic internationally so as to isolate [korip] us. This clearly shows that the United States is strengthening propaganda maneuvers in every way to lay an artificial obstacle in way of the DPRK-U.S. talks for fundamentally resolving the nuclear issue on the Korean peninsula, to heighten the tension on the Korean peninsula to the extreme, and to base the Republic.

In fact, speaking of the chieftain of human rights violations and the barren land of human rights, the United States and South Korea are the ones. It is ridiculous for the United States to babble about our nonexistent human rights issue without uttering a word on this. If the United States thinks it can damage the superiority and the invincible cause of the popular masses-centered socialism of our own style with this nonsense, it is a miscalculation.

The United States must immediately give up the anti-Republic, anti-socialist strategic propaganda maneuvers,

such as our so-called human rights issue, the byproduct of the U.S. reactionary strategy.

KCNA Assails Human Rights Report

SK0502043894 Pyongyang KCNA in English 0418 GMT 5 Feb 94

["Preposterous Clamour About 'Violation of Human Rights'"—KCNA headline]

[Text] Pyongyang, February 5 (KCNA)—The U.S. State Department in its "Annual Report on the Human Rights Situation in the World", absurdly alleged that the basic human rights of the citizens are not guaranteed in the DPRK, according to reports.

This is a brazen interference in the internal affairs of our country and an intolerable insult to the socialist system of our style centering on the popular masses.

The DPRK Government, which regards it as its immovable policy to value man and respect his rights, substantially provides genuine freedom and rights to all citizens and creditably ensures their abundant and happy life.

The United States came out with the fiction of "violation of human rights in North Korea", blatantly distorting the stark reality. This is a crafty ruse to impair the image of our republic and isolate us.

This clearly proves that the United States is intensifying the propaganda offensive in every way to slander our republic, while laying artificial hurdles in the way of the DPRK-USA talks for a fundamental solution of the nuclear issue on the Korean peninsula and rendering the situation extremely strained.

If one wants to talk about the chief violator of human rights and the barren land of human rights, he must cite the United States and South Korea.

If the United States, keeping silent about this, attempts to decry the advantages and invincible might of the socialist system of our style centering on the popular masses with a silly talk, it is a mistake.

The United States must immediately stop its anti-DPRK and anti-socialist propaganda over the "human rights issue" of the DPRK, a disgusting product of its reactionary strategy.

Commentary Decries U.S. Plans for New Radio

SK0502080294 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 4 Feb 94

[Commentary by Yun Pyong-son: "Foolish Maneuver Aimed at Ideological Disintegration"]

[Text] As it has already been reported, the U.S. Senate passed a bill on the initiation of Radio Free Asia. Regarding this, a spokesman for the DPRK Foreign Ministry exposed the U.S. intentions behind the initiation of Radio Free Asia in his answer to the question

raised by a reporter from the Korean Central Broadcasting Committee and strongly demanded its cancellation.

This is a clear expression of our people's unshakable will to stop the infiltration of U.S. ideology and culture, and to protect our nation's sovereignty.

It goes without saying that Radio Free Asia which the United States is trying to initiate is targeting our Republic and other Asian socialist countries. A byproduct of anti-socialist, anti-Republic strategic maneuvers, the U.S. Senate's passage of the bill on initiating Radio Free Asia is an intolerable interference into the internal affairs of our country and other Asian countries and a hostile, criminal act against them [uri narawa tarun asia naraduredaehan chamulsu omnun naejonggansobigo choktaejogin pomjoehaengwi innida].

As is known, the United States turned its spearhead of attack to the Asian region in recent years following the waning of the Cold War era from the international arena and the frustration of socialism in some countries. The reason lies in the fact that there are numerous important strategic points, and abundant manpower and resources in the Asian region. With rapidly growing economies, many countries in this region oppose domination and interference by outside forces, and are constantly walking along the road of independence.

The United States has declared the Asian Pacific region as a region of vital importance and interest in the 21st century, and is regarding our Republic and other Asian socialist countries as the stumbling blocks to the expansion of its sphere of domination. Based on this notion, the United States has focused its world strategy on the Asian region and attempted to set up Radio Free Asia, a tool for ideological and cultural infiltration, in addition to its military threat.

Every country has its unique tradition and culture, and, accordingly, implements an independent broadcast policy in conformity with its people's taste and customs. However, the United States attempts to paralyze [mabi] the Asian peoples' ideological consciousness and create social chaos and disorder by spreading the U.S. life style and culture so as to demolish the Asian countries from within. Where else in the world could there be such a shameless and brigandish interference in internal affairs!

The true intention of the United States in initiating Radio Free Asia is to infuse the so-called U.S.-style democratic values and the toxin of bourgeois ideology into our country and other Asian countries in order to crush [apsal] socialism in this region and demolish the independent governments there from within. However, this is a foolish and indiscreet act.

The United States was able to effectively use all sorts of machination and propaganda with Radio Free Europe, under the command of the Central Intelligence Agency, to bring about the cave in and return to capitalism of

former socialist countries in another region, but it will far from work with our country.

We have the *chuche* idea, the great guiding ideology of the era of independence, the spirit of independence, and our-style of life. Clearly acknowledging the fact from their life experience that only socialism can provide genuine freedom and rights and ensure their abundant and happy life, our people regard the *chuche* socialism, in which the leader, the party, and the masses are wholeheartedly united, as their life and lifeline.

If the United States thinks it can create the false image among our people and perpetrate social chaos and disorder with Radio Free Asia so as to topple the might of the socialism of our own style as it did in eastern Europe, it is grossly miscalculating. Many Asian countries strongly denounce the U.S. maneuvers to start broadcasting Radio Free Asia as interference into their internal affairs and a violation of the rules of international relations, and express their will to protect their tradition, culture, and consciousness from Yankee culture.

If the United States initiates Radio Free Asia despite the consistent opposition and rejection of the people of Asian countries, it will gain nothing from it.

The United States should immediately stop the game of initiating Radio Free Asia, a propaganda and machination organization aimed at ideologically disintegrating our country and other Asian countries.

The Asian people, including our people, will resolutely confront the U.S. ideological and cultural infiltration, and the rascals' anti-socialist, anti-Republic strategic maneuvers will not be able to avoid failure.

U.S.-ROK 'Long-Distance Bombing Exercise' Noted

SK0502044094 *Pyongyang KCNA in English* 0421 GMT 5 Feb 94

["Long-Distance Bombing Exercises Against North"—KCNA headline]

[Text] *Pyongyang, February 5 (KCNA)*— The U.S. imperialists staged a long-distance bombing exercise targeted against the northern half of Korea in the skies above Yongwol and Pyongchang, South Korea, on February 3, by setting in-motion formations of U.S. overseas-based electronic jamming planes, pursuit-assault planes and VTOL [vertical takeoff and landing] planes, according to military sources.

On the same day, the South Korean puppets swiftly deployed some 20 tanks and about 300 armed bandits to Ogum-ri from Manu-ri, Paju County, Kyonggi Province, and brought large-calibre guns into the demilitarized zone along the Military Demarcation Line from Kajon-ri, Inje County, South Korean Kangwon Province.

The desperate military exercises against the northern half of Korea fully show the aggressive and bellicose nature of the U.S. imperialists and the South Korean puppets.

Radio Reports South Conducts Military Exercise

*SK0502144794 Pyongyang Korean Central
Broadcasting Network in Korean 1216 GMT 5 Feb 94*

[Text] According to a military source, the South Korean puppets conducted land attack operation exercises and fired guns near the Military Demarcation Line in the Demilitarized Zone, in front of us, on 4 February.

The puppet Army's mobile tank groups deployed in Chomwon-ri, Paju County, Kyonggi Province, South Korea frantically conducted land attack operation exercises aimed at the northward invasion on that day in cooperation with the mechanized infantry outfits. Large-caliber artillery units of the puppet Army moved in Kajon-ri, Imje County, Kangwon Province, South Korea and assumed a firing position against our side, agitating us extremely.

On the same day, the armed rascals of the puppet Army occupied battle positions in Nosang-ri, Ogum-ri, and Yongsan-ri in Paju County and fired at random some 1,000 shots of large-caliber machine guns and automatic rifles.

Meanwhile, some 10 armed helicopters and transport helicopters of the puppet Army moved out in the skies above Yonchon and Pochon of Kyonggi Province and Chorwon County of Kangwon Province, South Korea, and frantically conducted exercises of supporting land units, dropping special attack corps, and supplying operation equipment in the air, while flying at low and very low altitudes.

All these facts prove that the South Korean puppets are running toward confrontation and war and running counter to peace and detente.

Commentary Denounces Arms Buildup, Exercises

*SK0702141994 Pyongyang Korean Central
Broadcasting Network in Korean 1150 GMT 7 Feb 94*

[Commentary by Yun Pyong-son: "Civilian Warmongers Must Be Overthrown"]

[Text] Recently the South Korean puppets have been frantically running wild with maneuvers of a Northward war of aggression more than ever before, thus further aggravating tension.

According to a military source, the puppet Army's tank corps, which was deployed in areas around Chomwon-ri, Paju County, Kyonggi Province, near the Demilitarized Zone of the Military Demarcation Line on 4 February, staged a ground offensive operation exercise intended for Northward aggression under coordination between mechanized units and infantry troops. In addition, the

puppet Army's large-caliber gun troops, which advanced to the area in Kajon-ri, Imje County, Kangwon Province in South Korea, took a posture of firing at our side, thus gravely irritating us.

That day, armed hooligans of the puppet Army, who occupied combat positions in areas around Nosang-ri, Ogum-ri and Yongsan-ri in Paju County, fired at random more than 1,000 bullets of large-caliber machine guns and automatic rifles, thus reeking of gunpowder. In addition, more than 10 armed helicopters and transportation helicopters of the puppet Army, which were mobilized in the air above Yonchon and Pochon in Kyonggi Province and Chupa-ri, Chorwon County in South Korean Kangwon Province, staged exercises of supporting ground troops, dropping special units and transporting operational equipment, while making low-altitude and super low-altitude flights.

In parallel with exercises of a Northward war of aggression, the puppets are running amok with arms buildup maneuvers. It is a fact already exposed to the public that the puppets are scheming to bring Patriot missiles to South Korea in collusion with the United States. In addition, the puppets recently decided to buy three more German-made submarines.

Bellicose and violent remarks, such as preparations for a combat posture, fostering combat capabilities and so forth, were put forward during the recent conference of the puppet Marine Corps commanders.

War exercises and arms buildup maneuvers, which have been further strengthened in South Korea, clearly show how frantically the Kim Yong-sam puppet clique is running amok with maneuvers of preparations for a Northward war of aggression. The puppets justify their arms buildup and war exercises by saying they were prompted by the threat of someone else. However, this is a brazen-faced sophism.

The danger of war on the Korean peninsula comes from the South, not from the North, therefore, the one who is subject to threat is not South Korea, but our Republic. The United States and South Korean puppets always keep in combat posture tens of thousands of U.S. Forces in South Korea, who are armed with modern war equipment, and nearly 1 million of the puppet Army. They are also scheming to bring dark, dangerous clouds of war by attempting to stage, by all means, large-scale exercises of Northward aggression, including the Team Spirit joint military exercise.

Moreover, the United States has recently forced brigandish full-scope inspection [kangdojogin chonmyon sachal] on us on the pretext of our nonexistent nuclear problem. By designating even a deadline, the United States assumed a final notice-like attitude [choehu tongchopsiguro naoda] by raving about sanctions and the like.

Despite this fact, the puppets made gibberish about someone else's threat and so forth. This is no more than

a sophism designed to mislead public opinion and to justify their adventurous maneuvers of Northward aggression.

All fellow countrymen in the North, the South, and overseas, who designated this year as the year of great national unity, are hoping that a breakthrough is opened for reconciliation and unity in conformity with the nation's enhanced zeal for reunification. Therefore, the North and the South should discard war exercises and arms buildup that go counter to the nation's aspiration and demand.

As long as war maneuvers continue, reconciliation and unity between the North and the South cannot be achieved nor can peace and reunification of the nation be realized. Instead, tensions will be aggravated and only confrontation and war will be brought about.

The Kim Yong-sam puppet clique is frantically running amok with maneuvers of a Northward war of aggression to attack fellow countrymen in collusion with outside forces. This is indeed an intolerable antinational and antireunification criminal act that challenges fellow countrymen's aspiration to reunification, which goes against the nation's reconciliation and unity, and which leads the situation to the brink of war.

It became clearer that the Kim Yong-sam puppet regime, which is running amok with war maneuvers against fellow countrymen under a veil of a civilian government, is the separatist regime opposing reunification and a group of national traitors who pursue only confrontation and war.

As long as the Kim Yong-sam group, which is not interested in peace, reunification, and fellow countrymen; remains in power, our nation cannot avoid suffering disaster of nuclear war. There is nothing to increase hope and expect from the traitorous Kim Yong-sam regime.

It is natural for the South Korean people to call for overthrowing the civilian warmongers. The South Korean people, who want the nation's reconciliation and unity and who aspire to peace and reunification, absolutely will not pardon the Kim Yong-sam clique, a group of warmongers.

ROK Unification Minister's Remarks Denounced

SK0502052094 *Pyongyang KCNA in English 0445 GMT 5 Feb 94*

[“Who Threatens Whom?”—KCNA headline]

[Text] *Pyongyang, February 5 (KCNA)*—What the South Korean puppet minister of the unification board said in regard to the January 31 statement of a spokesman for the Foreign Ministry of the Democratic People's Republic of Korea concerning the U.S. perfidious act is

nothing but a balderdash of a stooge aimed at embellishing the U.S. military threat to the DPRK and its deliberate moves to increase tension, says NODONG SINMUN today.

Feeling uneasy about the statement, he dared to charge the DPRK with its “threat to the United States” and “menace to South Korea,” the analyst says, and continues:

This is a preposterous sophism reminding us of a thief crying “stop thief!”

Who really resorts to threat and menace and who is subjected to them on the Korean peninsula?

It is the United States that has thrown off the promise it had made at DPRK-U.S. contacts like a pair of old shoes and urged the DPRK to accept the demand for an overall inspection raised by the secretariat of the International Atomic Energy Agency, which is tantamount to its return to the Nuclear Nonproliferation Treaty, while pressing ultimatum-style demand to the DPRK, threatening it with “sanctions” after setting a deadline.

No matter how loudly those who are trying to threaten and overpower the DPRK with strength may charge it with “threat” and “menace,” nobody will be deceived by them.

The “minister of the unification board” might have been bribed by the United States, the master of the South Korean puppets. But his sophistry has sparked off the anger of the Korean nation.

The South Korean people hit the nail on the head when they labeled the South Korean “unification board” as a “board of division and confrontation.” If the puppets persistently seek a nuclear war against the fellow countrymen in the North in league with outside forces, letting loose belligerent outbursts and playing with fire, while tailing behind the United States, it would be none other than the provocateurs and warmaniacs who would be burnt in the flame.

The puppets must clearly see the situation and stop running riot.

Radio Denounces ‘Antidemocratic’ South Regime

SK0602062294 *Pyongyang Korean Central Broadcasting Network in Korean 0838 GMT 4 Feb 94*

[Unattributed talk: “The Antidemocratic Kim Yong-sam Puppet Regime Must Be Overthrown”]

[Text] South Korean youth, students, and people of various classes and strata are insisting on overthrowing the Kim Yong-sam regime, denouncing it as an anti-democratic fascist regime.

This is based on the serious lesson that it is impossible to achieve independence, democracy, or reunification with the Kim Yong-sam traitorous clique, which is committing treacheries to the country and the nation more

viciously than any preceding regime by deceiving and disgracing the masses and drumming up civilian and reform policies, as it is.

The Kim Yong-sam puppet regime is a more anti-democratic fascist dictatorial one than any of the successive military dictatorial regimes.

Although he is advertising civilian and reform policies, traitor Kim Yong-sam has only brought a greater disaster to the people by conducting the civilian fascist repressive politics, which is more vicious than the military fascist dictatorship of the Fifth and Sixth Republics. The Kim Yong-sam group's fascist nature is not inferior to and rather goes beyond that of any preceding military fascist dictator. It is the most malicious and vicious.

The so-called civilian government of South Korea cannot coexist with the civilian politics. It follows the legal grounds of the preceding military fascist rule as they are.

It is traitor Kim Yong-sam that promised to amend the notorious National Security Law during the election campaign and said on the following day of his inauguration that it was too early to amend it.

Not a single phrase of the notorious National Security Law has been changed, and the unchanged law plays the role of the civilian government's fascist stick being used in repressing the people.

The Kim Il-song group has not only maintained the bodies organized under the previous military fascist dictatorship to repress the people but also strengthened their functions and increased their capacities drastically.

Yielding under the people's protest, the fascist clique was talking about the reduction of the Agency for National Security Planning [NSP], the place of origin of fascist oppression and infringement of human rights in South Korea. In fact, however, only some NSP figures' positions have been changed, and rather strengthened the agency's function by establishing a new bureau in charge of planning strategies on the North.

The demonstration-quelling task force unit of the puppet police, which is being denounced as a fascist stick, a culprit of the ruling forces, was reinforced with as many as about 17,000 new men. Special detective teams have been established in the puppet police administration of each city and province. The length of sticks carried by policemen is longer than that of ones carried by policemen in the previous dictatorial regime.

Moreover, the Kim Yong-sam fascist clique announced its plan to sharply increase the budget for puppet police stations and police boxes across the country annually to suppress the people.

The Kim Yong-sam puppet regime has maintained and reinforced the fascist laws and repressive tools made by the preceding military dictatorial regimes, pursuing a vicious fascist dictatorial rule against the people.

The Kim Yong-sam puppet clique is exasperatingly brandishing a sword of civilian fascist dictatorship against the struggle and march of the South Korean people and students who call for independence, democracy, reunification, and the rights to live, debasing it as an illegal violent riot and a collective egoism.

The civilian fascist dictatorial maniac ruthlessly cracked down with a 100,000-strong police force on the struggle of the citizens and students urging the investigation into the Kwangju massacre, punishment of the murderers which was waged on the 13 anniversary of incident of the Kwangju popular uprising, thus leaving the injured three times more than the Sixth Republic did.

Branding the South Korean Federation of General Student Councils [Hanchongnyon]—a successor of the National Council of Student Representatives [Chondae-hyop] that set sail to realize independence, democracy, and reunification—as an illegal group benefiting the enemy, the Kim Yong-sam fascist clique announced a emergency state to ruin its inauguration ceremony and brutally suppressed it by mobilizing some 190-company riot police troops.

Every university in South Korea, including Yonsei and Korea, is being constantly searched by the civilian fascist authorities. The theaters of the students' struggle have been stained with blood and many patriotic students were arrested and put behind the bars.

The Kim Yong-sam puppet traitor has frozen workers' wage by shifting blame onto them for the economic crisis in South Korea which is already in tatters. Furthermore, it has gone so far as to brutally obstruct workers' strikes calling for the rights to exist, including the basic wage hike, by invoking the emergency arbitration power which the preceding dictators did not even dare to provoke.

The civilian fascist dictators not only intensify its suppression on patriotic movement organizations but also set up government-controlled movement organizations and infiltrated members of the Agency for National Security Planning into progressive movement organizations. In this way, it is persistently resorting to cunning maneuvers to reform [kaeryanghwa] the South Korean mass movements and plunge them into pure civic movements.

Its antipopular and antidemocratic fascist repressive rule is the most crafty, vicious and brutal despotism of a civilian fascist outstripping the preceding military fascist regimes.

It is traitor Kim Yong-sam who is the most ruthless, barbarous, fascist, dictatorial maniac who would not hesitate to slay all the South Korean people if it is for gratifying his greed for power.

It is a matter of course that the South Korean people and students strongly call for the removal of the Kim Yong-sam puppet regime, branding it as the most atrocious,

vicious civilian fascist regime combined with both military and civilian dictatorship.

Only when the Kim Yong-sam treacherous regime is removed and a genuine democratic independent regime is established in South Korea, independence, democracy, and reunification which the people aspire to could be realized.

Daily Asserts Kim Yong-sam 'Must Be Removed'
SK0502044794 *Pyongyang KCNA in English 0430*
GMT 5 Feb 94

["'Civilian' Fascist Dictator Must Be Removed"—KCNA headline]

[Text] Pyongyang, February 5 (KCNA)—NODONG SINMUN today says that Kim Yong-sam the fascist dictator wearing the "civilian" mask must be removed.

The author of the article says:

His puppet regime is a more truculent, anti-democratic fascist dictatorial one than any of the successive military dictatorial regimes.

Though the Kim Yong-sam fascist clique is wearing the "civilian" veil, it is, in actuality, relentlessly challenging the South Korean people's desire for independence, democracy and reunification with its cruel fascist repressive rule as the successive military dictators did.

It, first of all, has kept intact all the fascist legal and institutional ruling systems of the preceding military fascist dictatorial regimes, enhanced their function and drastically reinforced them.

The "civilian" fascists are harshly suppressing the patriotic forces calling for independence and democracy in South Korea and for national reunification.

The Kim Yong-sam fascist clique ruthlessly cracked down with a 100,000-strong police force on the struggle of the popular masses urging the investigation into the Kwangju massacre, punishment of the murderers and establishment of a genuine democratic government, which was waged on the lapse of 13 years since the Kwangju popular uprising.

The theaters of the students' struggle have been stained with blood and many core elements of the youth arrested, in South Korea.

The fascist clique brutally suppressed the people's struggle for vital rights by invoking the "government" power, calling it "collective egoism." It set in motion even the notorious "emergency arbitration power" invented in the period of the "Yusin" dictatorship. It is now mobilizing all the puppet police to check the struggle of the peasants and other people against its treacherous opening of the domestic rice market.

It is the traitor Kim Yong-sam and his "civilian" regime that would not hesitate to slay all the South Korean

people, if it is for gratifying his greed for power and maintaining the fascist regime, regarding all the forces obstructive to it as the target of suppression.

The Kim Yong-sam puppet regime prolonging its days in reliance on the fascist bayonets, estranged from the people, must be removed in time.

Papers Call for Toppling Kim Yong-sam Government

SK0602090694 *Pyongyang KCNA in English 0829*
GMT 6 Feb 94

["'Treacherous Hooligans Who Must Be Toppled"—KCNA headline]

[Text] Pyongyang, February 6 (KCNA)—Papers today hit out at the criminal act of the Kim Yong-sam puppet clique in blocking a contact between Chondoist delegates of the North and the South at Panmunjom for discussing a joint celebration of the centenary of the Kabo Peasants' War in 1894.

A commentary of NODONG SINMUN says there is probably no other pack of traitors like the Kim Yong-sam group which even bans fellow countrymen from meeting each other while kissing aggressive foreign forces.

The analyst notes:

For the Chondoist organisations of the North and the South to have a contact for a joint celebration of the centenary of the Kabo Peasants' War was originally proposed as part of an independent civilian-level dialogue; the authorities need not and must not interfere in it.

However, the Kim Yong-sam puppet clique of South Korea put its nose into this matter and trampled upon the agreement on having in early February a contact of Chondoist delegates of the North and the South. This was an impudent act of those who do not know their position and another unpardonable fascist outrage of the treacherous regime wearing the "civilian" mask.

The Kim Yong-sam group brought forward the "nuclear issue", blocking the contact between Chondoist delegates of the North and the South. This was an absurd pretext to bar not only the contact between Chondoist delegates, but also a joint organisation of the celebration of the centenary of the Kabo Peasants' War by the North and the South. This was a sophism which could convince nobody. The Kim Yong-sam puppet clique, a group of despicable traitors, truculent fascist dictators, savages and villains, must be overthrown in South Korea.

Chondoists and other people of South Korea must not pin any hope on the Kim Yong-sam traitor group but bring down a sledge hammer on its head and throw it onto the dust pin of history, united in a high patriotic spirit like the people who turned out in the Kabo Peasants' War.

MINJU CHOSON in a commentary says the South Korean puppet clique's blocking a working-level contact between Chondoist delegates of the North and the South was an anti-national act of those who do not know of the ancestors. This group of hooligans must be removed from the nation as soon as possible, it stresses.

Daily: 'Anti-National' Regime Must Be 'Toppled'

SK0702102994 *Pyongyang KCNA in English 1017 GMT 7 Feb 94*

[Text] Pyongyang, February 7 (KCNA)—The obstacle lying in the way of reunification at present is the anti-national separatist Kim Yong-sam regime, says NODONG SINMUN in a signed article today.

Stressing that this regime must be toppled, it says:

The record of nearly one year after the appearance of the present regime in South Korea proves in stark reality that the Kim Yong-sam group is the heinous enemy of national reunification.

In his "inaugural address" the traitor Kim Yong-sam waxed eloquent about "the priority of the nation." But, in no time, he resumed the "Team Spirit" joint military exercises, which had been suspended toward the end of the "Sixth Republic Regime", against the North in league with outside forces and drove the North-South relations into a dangerous phase under the pretext of North's "nuclear problem." The puppets intercepted a letter containing the 10-point program of the great unity of the whole nation sent by the North to the South Korean authorities and representatives of different political parties, organisations and public figures and even totally rejected the North's proposal for the exchange of special envoys.

After taking office the traitor Kim Yong-sam has utterly ignored the reunification question and repeated the trite "stage-by-stage" doctrine of the preceding dictators.

In his "New Year address" and "New Year press conference", he did not utter even a word about reunification but spun out trash decrying the North and getting on its nerve. From this we can foresee that the Kim Yong-sam puppet regime will work viciously to aggravate the North-South relations and block reunification this year, too.

If the cause of national reunification is to be promoted, a powerful force for reunification must be built up and, at the same time, the force obstructive to reunification must be decisively removed. The movement for independence, democracy and reunification must be developed to a new, higher stage in South Korea to topple the Kim Yong-sam "civilian" fascist dictatorship.

CPRF Group Urges Kim Yong-sam To 'Step Down'

SK0502052494 *Pyongyang KCNA in English 0439 GMT 5 Feb 94*

["CPRF Secretariat Flails Kim Yong-sam Puppet Clique's Crackdown on People"—KCNA headline]

[Text] Pyongyang, February 5 (KCNA)—The secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] in its information No. 643 dated February 4 denounced the Kim Yong-sam group's crackdown on the farmers, students and other sections of people who rose in struggle against the agro-market opening.

The information says the recent bayonet and teargas suppression proves that the Kim Yong-sam group is a pack of rare traitors, fascist gangsters and foolhardy blackguards.

It goes on:

What must not be overlooked is that the traitor Kim Yong-sam issued a repressive order, branding the righteous struggle of South Korean people as "violence", and that even Kim Chong-pil, a remnant of the "Yusin" system, arbitrarily insulted the resistance of peasants, saying "to totally deny the Uruguay Round in the era of internationalization means that they are ignorant of what is going around the world."

As for Kim Yong-sam and Kim Chong-pil, they are the very ones who directly sold off the South Korean rice market to the United States. They are despicable criminals who committed a never-to-be-condoned arch crime against the nation.

Repression can by no means be almighty, the information says, stressing:

The Kim Yong-sam puppet clique must immediately stop playing such foolish tricks as trying to prolong at the point of the bayonet the remaining days of the "civilian regime" now in the grip of a crisis and step down without delay.

Chondoists Criticize South for Preventing Contact

SK0502123794 *Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 3 Feb 94*

[Text] Yu Mi-yong, chairwoman of the Central Guidance Committee of the Korean Chondoist Association, today, released the following press statement condemning the South Korean authorities for preventing the Panmunjom contact of the Chondoist representatives of the North and South for the North-South joint commemoration of the 100th anniversary of the 1894 Peasants War.

Press statement by Yu Mi-yong, chairwoman of the Central Guidance Committee of the Korean Chondoist Association:

Twentieth March marks the 100th anniversary of the 1894 Peasants War. The ideals "Reject the West and Japan" and "Promote national interests and welfare of the people" which our Tonghak [Eastern Studies] believers and compatriots from all walks of life upheld in the 1894 Peasants War today inspire a love for the fatherland and nation among the Chondoists and all the fellow countrymen in the North and South.

Out of a desire for the North-South joint commemoration of the 100th anniversary of the 1894 Peasants War, as agreed between me and O Ik-che, head of the South Korean Central Office of Chondoism, I sent a telephone message to our counterpart in the South on 24 January and proposed a contact of working-level Chondoist representatives in Panmunjom on 3 February.

If this contact is held and if, as a result, the North and South jointly commemorate the 100th anniversary of the 1894 Peasants War, this will no doubt contribute to ensuring that our fellow countrymen will oppose outside forces' intervention, achieve national unity, and achieve reunification in the nineties.

The Chondoists and brothers and sisters in the North and South welcomed our proposal that the Chondoist representatives of the North and South hold a contact in Panmunjom and expected that such contact would take place. However, the contact the Chondoist organizations of the North and South agreed on last year and have since sought to hold could not be held because of the South Korean authorities' unjust intervention and hindrance maneuvers. I express my grave regret for this and sternly condemn the South Korean authorities' crime—of preventing Panmunjom contact of the Chondoists of the North and South—before all the fellow countrymen.

The South Korean rulers aborted [yusan sikigo] the Panmunjom contact and prevented the North-South joint commemoration of the 100th anniversary of the 1894 Peasants War this time. This is in no way justified.

For the Chondoist organizations of the North and South to hold a contact to jointly commemorate the 100th anniversary of the 1894 Peasants War is part of the independent civilian dialogue. And, the authorities have no reason to intervene, and must not do so.

However, without knowing its own place, the puppet South Korean authorities unhesitatingly committed an arrogant, uncourteous act of intervening into even the contact of the two sides' Chondoist representatives and having the two sides' agreement—to hold contact in early February—scrapped.

Moreover, the South Korean authorities used the non-existent nuclear issue as an excuse to prevent a national event for upholding the patriotic spirit which the peasants and other uprisers displayed 100 years ago. We cannot but say this is a very shameless sophism.

They linked the commemoration to the so-called nuclear issue. This clearly shows they are making every effort to

break up [pigi] the Panmunjom contact of the Chondoists of the North and South and prevent all the fellow countrymen from jointly commemorating the 100th anniversary of the 1894 Peasants War.

They prevented the contact of the Chondoists of the North and South for holding functions on the 100th anniversary of the 1894 Peasants War, in which a pannational struggle was waged under the ideals "Reject the West and Japan" and "Promote national interests and welfare of the people." This again clearly shows the so-called civilian regime is a fascist regime and a treacherous group in every way.

As public opinion at home and abroad has already denounced, the Kim Yong-sam ring prevented reunification soccer games of university students of the North and South, prevented a while ago the visit to express condolence on the death of Reverend Mun Ik-hwan, a patriot who aspires for reunification, and even obstructed the joint holding of functions on the 100th anniversary of the 1894 Peasants War which was fought to defend national spirits. This proves the Kim Yong-sam ring is an antinational brigandish group [panminjok burhandang] that has no courtesy and does not pay due respects to the ancestors.

The Kim Yong-sam ring prevents visits and meetings among fellow countrymen, even while bringing outside forces, against whom fellow countrymen have a grudge, into South Korea. Those political swindlers reign over the South Korean Chondoists and people. This is a shame no one can tolerate.

The puppet Kim Yong-sam regime, which South Korean people do not trust, must be removed and overthrown [chegodoeyoya hamyo tagodoeyoya] as a matter of course.

I expect the South Korean Chondoists and people from all walks of life will have no illusion about the puppet Kim Yong-sam regime, display high patriotic spirits just like the participants in the 1894 Peasants War, overthrow [tado] the Kim Yong-sam ring, which turns its back on the nation and lives while licking at outside forces' hands, and build a genuine independent, democratic regime.

Commentary Supports Rally by South Students

*SK0502001894 Pyongyang Korean Central
Broadcasting Network in Korean 1153 GMT 3 Feb 94*

[Commentary by Chong Pong-kil: "The Justifiable Struggle"]

[Text] According to Seoul radio, some 30,000 farmers, youth, and students held a rally at Taehang-no, Seoul on 1 February opposing the puppet Kim Yong-sam clique's agricultural market opening, a treachery to the country and the nation. The farmers rally organized by nine farmers associations, including the National Federation of Farmers Associations, alias Chonnong, started at 1300 [0400 GMT] and lasted until 1530, giving a vigorous

kick to repressions. With furious indignation, the participants of the rally berated and convicted the antinational act of the puppet Kim Yong-sam regime that sold markets of rice and other farm products to the United States.

After the rally, the participants staged a demonstration, exclaiming that they oppose importing farm products. The demonstrators rushed out to Tapkol Park and approached the U.S. Embassy in Sejong-no. Embarrassed with this, the civilian regime mobilized some 130-company riot police troops, and they frantically oppressed the demonstrators by firing tear gas at them in succession, just following the means that the military fascist dictators of the Fifth and Sixth Republics had used.

This enraged the demonstrators, who burned out five police vehicles while crying out anti-U.S. and antigovernment slogans. Some 500 students proceeded toward Chongwadae [presidential residence], dazzling the puppets. Youth and students disarmed about 100 riot police and set fire to their repressive equipment. The demonstration was held in downtown Seoul until 2200.

At the same time, some 200 farmers from the North Cholla Provincial Branch of Chonnong demonstrated on the Seoul-Pusan expressway on their way to the rally site in Seoul to join the struggle. The struggle of South Korean farmers, youth, and students is an explosion of their indignation at the puppet Kim Yong-sam clique, which makes it its business to sell the country and the nation, and it is extremely justifiable.

As everyone knows, if the rice market is opened in South Korea, foreign rice will be rushed in there, stand unchallenged, and bring a great damage to the six million South Korean farmers and the South Korean agriculture, above all. South Korean rice, whose production cost is as much as five times higher than that of U.S. rice, will naturally be pushed out in the competition with U.S. rice. This will strike a deadly blow to farmers' livelihood, diminish their desire to produce rice, and result in a large-scale rural exodus.

The South Korean publications write: The rice market opening will destruct agriculture, whose food producing function will be paralyzed. At least two or three million farmers will give up farming, and this will accelerate the devastation of rural areas.

The rice market opening will also exert serious influence upon agriculture-related sectors—such as fertilizer, farming machinery, and farming materials production—and result in unemployment and bankruptcy. Housing and employment problems will be increased in urban areas and working people's social and economic status will be seriously aggravated.

When the so-called special tax for farming and fishing villages, which the puppet Kim Yong-sam clique is trying to enforce under the pretext of preventing farmers from

suffering damages, is added to this, people will stand sufferings beyond description.

Facts show that the puppet Kim Yong-sam clique's rice market opening maneuver is an intolerable, big criminal act that gravely threatens the survival of not only millions of South Korean farmers but also thousands of South Korean people and reduces them to slaves of foreign rice and foreign monopolistic capitals.

Under this situation, how on earth can the South Korean people restrain themselves from struggling against the puppet Kim Yong-sam clique that is trying to cut off their lifeline.

Nevertheless, the puppet Kim Yong-sam clique is frantically oppressing people involved in the farmers rally, like an act of a thief raising a hue and cry. On 2 February, traitor Kim Yong-sam told his petty men that violence cannot be allowed, that leading members of the rally must be thoroughly investigated, and the like.

According to the puppet traitor's oppressive order, the puppet police, prosecution, and other fascist oppressive groups are making a stir of investigating demonstrators and farmers associations. This is, however, nothing but a desperate effort of those who have no future. Fascist oppression can never control the people's struggling spirit, and it only excites the people's antigovernment struggle all the more. The struggle against the rice market opening is actually being expanded, and people from various classes and strata are joining it. This is because the South Korean people are aware of the fact that the popular masses should unite for the struggle against the fascist oppression and that only such a struggle can deter and destruct the rascals' rice market opening maneuver and can overthrow [tado] the country and nation-selling group.

It is no accident that the opposition Democratic Party leader appealed to politicians and the popular masses to actively cooperate in struggling against the agricultural market opening.

The South Korean people will finally overthrow the country and nation-selling Kim Yong-sam group by launching into a more cooperative and active struggle. The Kim Yong-sam group must look straight at the development of situation, act discreetly, and had better retire from power before being given a stern trial by the people.

Claims of South's Peasants Association Detailed

SK0502111894 *Pyongyang KCNA in English* 1035
GMT 5 Feb 94

[Text] *Pyongyang, February 5 (KCNA)*—The South Korean National Federation of Peasants Associations (Chonnong) called a press conference in Seoul on February 2 and demanded that the "government" punish

those who walked away demonstrators against agricultural market opening on February 1 and compensate to them, according to a radio report from Seoul.

Recalling that the indiscreet crackdown upon the peaceful demonstrators by the combat police touched off the anger of peasants and students and led them to counterattack, Chonnong said the puppet government authorities were to blame for the collision in the demonstration of peasants and students against the agricultural market opening.

Chonnong warned that if the authorities countered a future demonstration of peasants by force, it would respond with a corresponding stiff struggle.

South Koreans Reported Admiring Kim Il-song

SK0502110694 *Pyongyang KCNA in English 1029 GMT 5 Feb 94*

["President Kim Il-song Is, Indeed, the Great of Great Unprecedented in Human History"—KCNA headline]

[Text] Pyongyang, February 5 (KCNA)—Repercussions of "With the Century", reminiscences of the great leader President Kim Il-song, are growing widespread among the South Korean people as days go by.

A journalist surnamed Pak residing in Chungju said after avidly reading the reminiscences:

"President Kim Il-song in his reminiscences put aside his activities, feats and traits and looked back mostly on the feats and activities of comrades-in-arms and ordinary people with whom he had shared life and death, sweets and bitters in the days of the anti-Japanese patriotic struggle, thus exalting them to a high position in the history of the nation.

"From this one fact alone we can know well that President Kim Il-song is, indeed, the great of great unprecedented in human history, with distinguished personality as a leader."

A professor Choe of Korea University said President Kim Il-song shared sweets and bitters with the fellow countrymen, shouldering the destiny of the country and the nation from his childhood. Regarding the idea of "believing in the people as in heaven", the idea of worshipping the people, as his maxim, General Kim Il-song has devoted his all solely to the sacred cause for the freedom and liberation of the people throughout is 80 year life, he noted.

A Yi living in Talsong County, North Kyongsang Province, said President Kim Il-song is, indeed, the great leader of the nation, the benevolent fatherly leader of the people who is administering politics for the people, believing in them.

"We, the people in the South, must be under the administration of President Kim Il-song, if we are also to lead a happy life free from any worries."

WOLGAN CHOSON, KYONGHYANG daily news, TONG-A ILBO, HANGUK ILBO and other South Korean publications carried the autographic writings of President Kim Il-song in the reminiscences saying "revolutionaries, believe in the people and rely on them at all times and you shall always emerge victorious; if you are forsaken by them, you will always fail. Let this be your maxim in your life and struggle and widely introduced the reminiscences.

Daily Analyzes Causes of Robberies in South

SK0502112094 *Pyongyang KCNA in English 1039 GMT 5 Feb 94*

["Inevitable Result of Corrupt Politics"—KCNA headline]

[Text] Pyongyang, February 5 (KCNA)—Robberies reported one after another in South Korea are an inevitable result of the treacherous policy and corrupt politics of the Kim Yong-sam puppet clique and his "civilian" regime, says NODONG SINMUN in a commentary today.

Nearly 20 robbery cases were registered in South Korea in January, which were shuddering robberies involving the use of weapons and looting.

The Kim Yong-sam group is staging what it calls "180-day operation for wiping off crimes" while advertizing "public peace for the people". But the spearhead of the repressive forces is always directed against the patriotic forces which call for independence, democracy and reunification, the analyst notes, and goes on:

It is not without reason that South Korean public criticizes Kim Yong-sam, asking why the traitor who has been merciless in suppressing the patriotic forces, is so incompetent in nabbing robbers.

The gang robberies in South Korea are immediate consequences of the misdeeds of the traitor Kim Yong-sam and other elements of the ruling quarters who stand in the foreground in fraud, swindle and corruption, fostering crimes and vices in society.

The social evils spreading in South Korea these days are signs of the end of the "civilian" regime.

It is not long before the traitor Kim Yong-sam and his "civilian" regime meet their disgraceful doom.

Japan's 'Anti-DPRK Smear Campaign' Criticized

SK0502050094 *Pyongyang KCNA in English 0435 GMT 5 Feb 94*

["NODONG SINMUN Hits Out at Anti-DPRK Smear Campaign of Japanese Reactionaries"—KCNA headline]

[Text] Pyongyang, February 5 (KCNA)—The Japanese reactionaries are engaging themselves in a feverish smear campaign against the Democratic People's Republic of

Korea by spreading through subsidized media the false rumor that the DPRK is manufacturing nuclear weapons with the help of Russia.

An instance of it is the report of the Japanese weekly magazine *SHUKAN BUNSHUN* that Russian scientists helped the DPRK in "the development of nuclear weapons".

Recalling that the chief of the general staff of the Russian Armed Forces laid bare the falsity of the article carried in the Japanese weekly, a *NODONG SINMUN* analyst today exposes the purpose of the anti-DPRK smear campaign of the Japanese reactionaries.

The analyst says:

The Japanese reactionaries are trying to hinder the triumphant advance of our republic and the solution to the nuclear issue on the Korean peninsula.

They have so far noisily vociferated about "nuclear development" by the DPRK in an attempt to isolate it and used it as a pretext to step up their own nuclear armament.

If the nuclear issue of the Korean peninsula is fundamentally solved, Japan will lose the pretext to accelerate its nuclear armament. In setting abroad the fiction of "assistance of Russian experts," it is motivated by a sinister design to obstruct the solution to the nuclear issue of the Korean peninsula.

It is a foolish act for the Japanese reactionaries to attempt to disparage our socialism with fabrications. They should clearly understand the anthropocentric socialism of Korean style and stop running amuck.

Their anti-DPRK false propaganda will bring no favorable result to Japan.

Magazine on 'Kimilsongism' Published in Japan

SK0502111094 Pyongyang KCNA in English 1033 GMT 5 Feb 94

[Text] Pyongyang, February 5 (KCNA)—Magazine "STUDY OF KIMILSONGISM" No. 67 was brought out by the Japanese Society for the Study of Kimilsongism.

It carries "Non-aligned Information Services Must Contribute to the People's Cause of Independence", an immortal classical work of the great leader President Kim Il-song, and "Let Us Develop Our Youth Movement to a New, Higher Level", an immortal classical work of the dear leader Comrade Kim Chong-il.

It also prints travelogues on Korea "Secretary Kim Chong-il is a leader of new era" and "significance of education in socialist idea" and articles subtitled "Spirit of Independence Cultivated" and "Unity And Cohesion Based on Revolutionary Love" under the title "With

the Century', Reminiscences of the Great Leader, Studied". It serializes notes of Yi In-mo, a former war correspondent of the Korean People's Army.

Papers carried in the magazine under the title "Current and Countercurrent of Independence and Peace" say it is the way of building a new independent world to build an anthropocentric society by thoroughly applying the idea and theory of the dear leader Comrade Kim Chong-il.

Kim Il-song Sends Message to Algerian President

SK0502000594 Pyongyang KCNA in English 2245 GMT 4 Feb 94

[Text] Pyongyang, February 4 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Liamine Zeroual upon his election as president of the Algerian Democratic and People's Republic.

President Kim Il-song sincerely wished the Algerian president success in his work for the stability and prosperity of the country.

Kim Il-song Sends Message to Sri Lanka President

SK0402045794 Pyongyang KCNA in English 0430 GMT 4 Feb 94

[Text] Pyongyang, February 3 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea on February 3 sent a message of greetings to Dingiri Banda Wijetunga, president of the Democratic Socialist Republic of Sri Lanka, on the occasion of the 46th anniversary of the independence of his country.

Expressing the belief that the friendly and cooperative relations between the two countries would further develop, the message wished the president and his people success in the work for national unity and the prosperity of the country.

Sri Lankan Independence Anniversary Observed

SK0402132494 Pyongyang KCNA in English 1100 GMT 4 Feb 94

[Text] Pyongyang, February 4 (KCNA)—Papers here today observe the 46th anniversary of independence of Sri Lanka.

Noting that since the independence the Sri Lankan people have achieved great success in their struggle for national unity and development of the economy and culture, MINJU CHOSON in a by-lined article says:

The Korean people congratulate the Sri Lankan people on the successes they have made in their struggle for the independent development and prosperity of the country.

The Sri Lankan Government is striving to make the Indian Ocean a peace zone.

Korea and Sri Lanka, both non-aligned countries in Asia, are deepening the bonds of friendship.

The Korean people will make all efforts in the future, too, to strengthen and develop the friendly and cooperative relations between the two peoples on the basis of the idea of independence, peace and friendship.

They express the belief that the friendly relations between the two peoples will further strengthen and develop in all fields in keeping with their mutual desire and aspirations, and wish the Sri Lankan people greater success in their struggle for the independent development and prosperity of the country.

Foreign Minister Greets Libyan Counterpart

SK0502112294 *Pyongyang KCNA in English 1045 GMT 5 Feb 94*

[Text] Pyongyang, February 5 (KCNA)—Foreign Minister Kim Yong-nam sent a message of greetings to 'Umar Mustafa al-Muntasir upon his reelection as secretary of the General People's Committee for Foreign Relations and International Cooperation of the Great Socialist People's Libyan Arab Jamahiriya.

Expressing the belief that the excellent ties of friendship and cooperation existing between the two countries would be further consolidated and developed, the message wished him bigger success in his work.

Nepal Party Chairman Praises DPRK Health Care

SK0502000494 *Pyongyang KCNA in English 1502 GMT 4 Feb 94*

[Text] Pyongyang, February 4 (KCNA)—Chairman of the Nepal Workers and Peasants Party Narayan Man Bijukchhe in his speech at a meeting on January 23 praised the health policy of Korea.

Noting that the Korean people enjoy benefits of free medical care under the wise leadership of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, he said:

They do not know any payment for their medical treatment.

In Korea a large number of big hospitals have been built in provinces, cities and counties.

Notably, the Pyongyang maternity hospital is a grand modernly-equipped one.

Women are granted maternity leaves when they receive all benefits as when they work.

Triplets and quadruplets are born at the maternity hospital.

Whenever triplets and quadruplets are born, Comrade Kim Il-song sends valuable gifts to them and takes great care of them so that they can grow healthily.

Such health policy is a superior one which can never be found in any other countries of the world but in Korea where the leader, the party and the masses are united in one mind.

Seminar on Kim Chong-il's Work Held in Tanzania

SK0402133194 *Pyongyang KCNA in English 1105 GMT 4 Feb 94*

[Text] Pyongyang, February 4 (KCNA)—A Tanzanian national seminar on "Abuses of Socialism Are Intolerable", an immortal classical work of the dear leader Comrade Kim Chong-il, was held in Dar-es-Salaam on January 29 under the sponsorship of the Tanzanian national coordinating committee of the chuche idea study groups on the occasion of his birthday.

Speaking at the seminar, F. Limo, member of the national executive committee of the Revolutionary Party of Tanzania, said that the work is of weighty significance as it was published at a time when socialism has suffered a setback in Eastern Europe and a serious politico-ideological struggle was taking place on the international arena.

He stressed:

The cause of the collapse of socialism in some countries was made clear by the great chuche idea.

The collapse of socialism was a product of the conspiracy between the imperialists and counterrevolutionary forces and a result of the ideological and cultural infiltration of imperialism and the corrosive influence of the right opportunist idea.

The dear leader Comrade Kim Chong-il in the work fully laid bare the reactionary nature of the sophism of the imperialists and renegades of socialism who accused socialism of being "totalitarian", "barracks-like" and "administrative and commanding".

The speakers at the seminar said it is an immortal classical work which dealt a decisive blow at the moves of the imperialists and renegades of socialism by fully laying bare the reactionary essence of the sophism of the enemies of socialism and gave firm conviction and courage to the people by powerfully demonstrating the justice of the cause of socialism.

A letter to Comrade Kim Chong-il was adopted at the seminar.

Kim Il-song Sends Wreath to Bier of Yi Tu-su
SK0502112694 Pyongyang KCNA in English 1046
GMT 5 Feb 94

[Text] Pyongyang, February 5 (KCNA)—The great leader President Kim Il-song today sent a wreath to the bier of Comrade Yi Tu-su, an anti-Japanese revolutionary fighter, expressing deep condolences over his death.

Daily Notes 'Characteristics' of Kim Chong-il
SK0702102294 Pyongyang KCNA in English 1011
GMT 7 Feb 94

[Text] Pyongyang, February 7 (KCNA)—MINJU CHOSON Sunday carried an editorial article titled "Main Characteristics of Politics of the Dear Leader Comrade Kim Chong-il".

The article says fundamental characteristics of the politics of the dear leader Comrade Kim Chong-il lies in that it is politics of fervent love for and trust in the people.

The article quotes the great leader Comrade Kim Il-song as saying:

"It can be said that love for and trust in the revolutionary comrades and people constitute main characteristics of the politics of Comrade Kim Chong-il."

The article further says:

The dear leader, basing himself on a profound exposition of the relationship between politics and love and trust, formulated love for and trust in the people as the basic principle of socialist politics, a fundamental basis of our-style politics for the first time, and has brilliantly carried it into reality.

The dear leader's politics the basic feature and principle of which is love and trust consists mainly of independence, democracy, unity and benevolence.

Independent politics is the first and foremost essential content of the dear leader's politics of love and trust.

The dear leader shapes all lines and policies to meet the supreme interests of our nation and our people and leads them to resolutely implement them to the letter without any concession so as to demonstrate to the whole world the dignity, honor and indomitable spirit of our people.

His politics is typical of democratic politics in the true sense of the word.

Drawing himself on the unshakable chuche-based viewpoint that power belongs to the people and everything of the world is created by the working masses and social relations change and develop by their strength, he always makes the popular masses the masters of all political activities and socio-political life and solves all knotty problems in reliance upon their efforts and wisdom.

Politics of unity guarantees the might of politics of love and trust.

His politics is typical of politics of unity.

Inheriting the noble idea of the great leader Comrade Kim Il-song that comradeship is priceless, he administers politics of love, politics of unity sparing nothing for comrades and for their unity.

Love for and trust in the people is manifested as benevolence in politics.

His politics is a model of benevolent politics. He always leads and takes warm care of the popular masses like a tender-hearted father, takes pleasure in the happiness of people and continues to show deep benevolence for them.

Dear Comrade Kim Chong-il is an illustrious leader of our party and people who is possessed of noble popular personalities and administers politics of love for and trust in the people, the article says, and continues:

The dear leader Comrade Kim Chong-il's love and trust is most noble and great; he first shows loving care for and trust in the popular masses; he rears the popular masses to be independent human beings and communist revolutionaries of chuche type.

His love for and trust in the people is immeasurably broad, eternal and meticulous.

His politics of love and trust is the source of great strength which gives rise to loyalty and filial piety of our people and builds up our revolutionary ranks into invincible ranks united in one mind.

Our-style socialism under which the illustrious leader administers politics of love and trust is invincible for ever, stresses the article.

Soldiers Create Works Praising Kim Chong-il
SK0402132294 Pyongyang KCNA in English 1042
GMT 4 Feb 94

[Text] Pyongyang, February 4 (KCNA)—Many literary and art works praising supreme commander Comrade Kim Chong-il have been created among the soldiers of the Korean People's Army.

The soldiers created and published more than 700 works last year. They continue producing successful works this year.

In the lyric poems "Long Live General Kim Chong-il", "Honor of Soldiers Led by Him" and "We Feel Confident" and the song "Pride of Korea" and the dialogic poem "Cheers", soldiers well show their great honor and pride in advancing under the guidance of the iron-willed brilliant Commander General Kim Chong-il, displaying their invincible might.

Soldiers' works include the long epic "Our Supreme Commander", the lyric "As We Are Led by General Kim Chong-il", and the legendary narrative drama "The Greatest Commander in the World" depicting the great leadership traits and exploits of Comrade Kim Chong-il.

Many works depict the faith and revolutionary resolution of the each-a-match-for-a-hundred soldiers to consolidate the singlehearted unity of the whole army with Comrade Kim Chong-il as its core as firm as a rock and support him with arms.

Functionaries' Vanguard Role in Work Stressed

SK0702084894 Pyongyang Korean Central
Broadcasting Network in Korean 0200 GMT 5 Feb 94

[NODONG SINMUN 5 February editorial: "Let All Functionaries Stand at the Van of Every Work"]

[Text] Today our people are vigorously accelerating the general march to glorify this year as the year of a historic turning point in our revolution and construction by upholding the militant slogans of the party and the leader.

The revolutionary zeal of the masses has been extraordinarily enhanced and we faced enormous tasks. This reality demands that the guiding functionaries revolutionize themselves more than ever before and stand at the van of every work.

The dear leader Comrade Kim Chong-il has indicated: Whether success can be attained in the revolutionary struggle and construction work or not will largely depend on how the cadres—commanding members of the revolution—will work.

Cadres are the backbone of our party and revolutionary ranks and are commanding members of the revolution. The firmness and combat capabilities of the party and revolutionary ranks largely depend on the cadres and the issue of registering a revolutionary turn in socialist construction depends on the cadres.

Only when the functionaries firmly prepare themselves ideologically by thoroughly revolutionizing themselves and only when they excellently carry out the role of the vanguard in all works, can they vigorously push ahead with the revolution and construction and firmly defend, protect and glorify our-style socialism.

It is a revolutionary mission for guiding functionaries, who uphold the party, to stand at the van of all works. Our party is the party which carries out the revolution and struggle, and is a motherly party which leads destiny of the people by bearing the responsibility.

It is a lofty intent of the dear comrade leader to carry out benevolent politics for the people and to make the cadres genuine faithful servants of the people who embody the party's benevolent politics.

Functionaries of our party should more satisfactorily have lofty traits as commanding members of the revolution and as faithful servants of the people by constantly revolutionizing themselves, and should always work devotedly for the party and the people.

It is an important demand in brilliantly carrying out gigantic revolutionary tasks facing us this year for leading functionaries to stand at the van of all works.

The spirit of struggle of the masses, who rose in the worthwhile struggle to implement our party's revolutionary economic strategy, is very high. The issue is for leading functionaries, who command each outpost of general march, to correctly organize and mobilize the masses by displaying the revolutionary spirit and combat capability.

The experience in the units, which created miracles and innovations in the first march of the new year, illustrates that only when functionaries stand at the van of others with the initiative, will all works be carried out satisfactorily.

The cadres decide everything in the revolutionary struggle and construction work. How thoroughly the agriculture-first, light industry-first, and trade-first policy is implemented depends on the cadres at last.

When the functionaries organize and command at the van of the struggle to implement the party's policy with loyalty to the party and with the spirit of devoted service for the people, we can successfully accomplish all tasks, no matter how gigantic they may be, and can effect a great revolutionary upsurge in this year's socialist general march.

It is also an important insurance for firmly consolidating our single-hearted unity with the party and the leader [suryong] for the leading functionaries to stand at the van of every work.

The single-hearted unity between the party and revolutionary ranks is a powerful weapon which only our party—the chuche-type revolutionary party—has.

Because there is such single-hearted unity, we can break through all trials, no matter how difficult and complex they may be, and can defend and carry to accomplishment our-style socialism without wavering even to a slight degree, no matter how strong the enemy may provoke.

Our functionaries should further consolidate our firm single-hearted unity, which has been attained the dear leader Comrade Kim Chong-il as the center.

When the functionaries—the standard-bearer and genuine educators of the masses—precisely educate and lead the party members and working people, the people will more firmly trust and follow the party and our single-hearted unity will be consolidated in an indomitable unity.

The issue of more highly displaying the superiority of our-style socialism importantly depends on the role of leading functionaries.

Today our people, without exception, absolutely support and endlessly trust our-style socialism. It is important for leading functionaries to struggle devotedly so that superiority of this system be more highly demonstrated.

The leading functionaries should devotedly struggle to more highly display the superiority of this system. Our functionaries are assigned with the mission to infiltrate warm benevolence of the party and the leader more thoroughly into the people and to provide them with happier and richer life.

When the functionaries actively struggle to brilliantly achieve our party's intent to make the people live more happily, the imperialists will get week-knees, no matter how frantically they maneuver to isolate and crush our-style socialism, and the sound of "Long live socialism!" will continually resound from among our people.

The party's expectations for leading functionaries in today's general march are very great. Our party has not only assigned important revolutionary outposts to functionaries but also energetically led functionaries so that they constantly revolutionize themselves. This reflects our party's lofty intent to foster all functionaries to be unswerving revolutionaries who share destiny with the party and the leader to the end, and to be genuine faithful servants who devotedly serve the people.

The outposts assigned to our functionaries are different from each other. However, the position on which they should stand always is the van of every work. Those who should play the kernel role in the struggle to uphold our party and to strengthen the single-hearted unity are our functionaries and those who should lead at the van the struggle to carry to accomplishment the party's revolutionary economic strategy by displaying the revolutionary spirit of self-reliance and arduous struggle are our functionaries. The men who should set an example in the work to establish law-abiding trait and the socialist life style are our cadres.

Without the kernel and vanguard role of our functionaries, they cannot think of any worth and honor as commanding members of the revolution, no matter what revolutionary outposts they are in charge of.

All functionaries should keenly realize that the destiny of the party, of the revolution and of socialism, depends on how they prepare themselves ideologically and on how they enhance their role, and should stand at the van of all works. Thus, they should fulfill the mission as commanding members of the revolution.

Functionaries should, above all, uphold the party at the van of others with faithful loyalty. The faithful loyalty is a basic trait that commanding members of the revolution should cherish. The revolutionary fighters should fight to the end with faithful loyalty for the party and the leader

[suryong] by sharing destiny with the leader [yongdoja] by dedicating their lives. Herein lies their valuable life and honor.

Functionaries should become the standard-bearers and vanguard in upholding the party and the leader [suryong]. Functionaries should entrust the party with their whole destiny and should loyally uphold the party and the leader to the end with thorough faith and determination to die at their posts while defending them.

Just as commanders of anti-Japanese guerrilla units who fought by willingly dedicating their lives to defending and protecting the respected comrade commander, our functionaries should dedicate all of their wisdom and energy to the struggle to achieve the intent and ideas of the leader [yongdoja] by sharing destiny with the great leader [yongdoja].

In particular, functionaries should direct essential interest to safeguarding and glorifying forever the achievements made by the party and the leader. Functionaries should precisely inform the party members and working people of greatness of the achievements made by the party and the leader and should consistently carry out the work to glorify such achievements.

Functionaries of the unit who received on-the-spot guidance must work well to make their unit an example of the whole nation and must thoroughly implement the tasks presented at the on-the-spot guidance.

It is important for functionaries to have high party spirit like Comrade Yi In-mo by loyally upholding the leader [yongdoja] of the revolution. The words of the poem dedicated to the dear comrade leader by Comrade Yi In-mo are filled with his attitude, position, and lucid party spirit toward the party and the leader.

All functionaries must reflect their party spirit to Comrade Yi In-mo's party spirit and must exert all efforts to train and self-discipline themselves ideologically. Functionaries must also have a sacrificial service spirit to the people and must struggle by devoting everything to the people.

Our functionaries emerge from the working masses, including workers and farmers, and they are messengers of the people who are possessed with the mission to serve them loyally. For our functionaries, serving the people with devotion is the road of complete loyalty to the party and the leader. There is no greater happiness and worthiness for the functionaries than further upholding the party's and leader's plan and intention and receiving the masses' faith and love by working as the people's faithful servants.

In our society the party and the regime serve the people, the people give orders, and functionaries are entrusted with the duty of implementing them. All functionaries must faithfully experience our party's ideology of believing in the people as in heaven, and carry out all

work by always thinking and acting from the position that they are the messengers of the people.

The dear leader Comrade Kim Chong-il taught that for functionaries to go into the masses and serving the people devotedly are the same as eating healthy food, and for functionaries to exercise power and bureaucratism are the same as eating poisonous food. This is a favorite proverb in the work and life of our functionaries, which must always be engraved and embodied in their minds.

Our functionaries must highly uphold the slogan of "Serving the people," presented by the party, always go deeply into the masses to listen attentively to their demands and fulfill their demands at the right time, and must exert themselves to make the people's living standard more abundant, even though they may sleep and rest less.

Those who are indifferent about the people's living conditions cannot be regarded as commanding members of the true revolution. Like the people's faithful servants, when there are good things and happy events take place, our functionaries must think of the people first, affectionately take care of the people's living conditions—from the political, labor, cultural life to the family life—so they can exert all their strength in carrying out their revolutionary duties.

There cannot be satisfaction in the work to implement the party's intention of devotedly serving the people. Our functionaries must actively learn the dear leader Comrade Kim Chong-il's endlessly lofty trait of always thinking of the people first, being thoughtful of working to provide better things for them, and find utmost delight from the people's happiness. Therefore, work must be carried out to brilliantly embody the party's intention of making functionaries work more and allowing the people receive more benefits.

Our functionaries must also highly manifest the revolutionary trait of unconditionally receiving and thoroughly implementing the party's ideology and plan. Unconditionally receiving and thoroughly implementing the party's ideology and plan are just duties of the cadres and a revolutionary attitude. Functionaries must have the spirit of absoluteness toward the party policy so the party's ideology and plan can be thoroughly advocated and fulfill their duty as the commanding members of the revolution.

Our functionaries must regard the party's ideology and plan as their faith, accept them as an absolute truth, and must think and act only in accordance with the party's ideology and intention in whatever environment.

Today's general march to implement the party's revolutionary economic strategy is a responsible struggle that inspects the functionaries' faithfulness and revolutionary spirit. Functionaries must devote all their energy and wisdom in the struggle to implement the party's plan and orders, and do a splendid job of the task that they are

entrusted with through skillful operations and command. In particular, in accordance with the demand of the Chongsan-ri spirit, Chongsan-ri method, and the Taean work system, functionaries must always go deeply into the producer masses and live under the same roof with them so they can be roused in the new struggle and feat. They must also sow plants with their own hands and harvest with their own hands.

Self-reliance and hard struggle, this is the criteria of functionaries' loyalty to the party and the revolution. Under the condition in which the imperialists intensify economic blockade maneuvers to stifle us, our functionaries should stand at the van to implement thoroughly the party's policy, upholding the banner of self-reliance and hard struggle to defend and adhere to the socialism of our own style and bring full its vitality.

With the firm will that what the party decides, we will do, functionaries should vigorously strive to carry out the given revolutionary tasks with their own efforts by seeking out what is in short supply and producing what is deficient. In particular, they should learn by Comrade (Chong Chun-sil)'s example of spirit of devotion, sacrifice, and self-reliance that was shown in the struggle to realize the party's plan and to promote the people's standard of living.

Our functionaries, as Comrade (Chong Chun-sil) did, should open a passage of advancement by pushing hard with their renewed courage whenever they are faced with difficult tasks. They should complete their entrusted tasks and should highly display the ethos of deliberating and running until their tasks are brilliantly achieved.

In order to stand at the van of every task, it is very important for the functionaries to possess the revolutionary work method and popular work style. All functionaries should positively learn by the revolutionary work method of Comrade Kim Il-song and the dear leader Comrade Kim Chong-il and should work in accordance with it.

Whatever they may do in any position, functionaries should eliminate their conventional attitude and have plain and easy characters. They should always be humble before the masses and be upright, unaware of any recompense or privilege. They should always be with the masses and share joy and sorrow with them. By climbing a mountain ridge and carrying burdens before others, functionaries should stand at the van of the masses if it is for the people. Functionaries should become accustomed to living in this way.

If functionaries are to become genuine commanding officers of the revolution, who are endlessly loyal to the party and the leader, they should make steady efforts to carry out the works to train and discipline themselves in a revolutionary manner. There is no born revolutionary nor consummated commanding officers of the revolution. One can become a genuine *chuche*-type revolutionary only through steady ideological discipline to

revolutionize themselves and revolutionary practice. As a gem sparks only when it is constantly cleaned, a revolutionary can endlessly add luster to its political life by training himself in a revolutionary manner and putting forth strong demands.

Most of our functionaries are the people who were brought up after the liberation of the fatherland under the bosom of the party without any difficulties or worries. Our party's line on endlessly revolutionizing commanding officials is the most just line that enables our functionaries to be brought up as genuine *chuche*-type revolutionaries. Responsible functionaries should set examples in standing at the van of revolutionizing.

As the saying goes "When the upper part of water is clean so is the lower part," when the responsible functionaries revolutionize themselves and make constant demands, the lower functionaries will follow them.

The functionaries should always join a grand struggle to implement the party's policy to revolutionize themselves. In particular, they should mingle with the working class and positively learn by their unlimited loyalty to the party and the leader, and their strong revolutionary spirit and working class spirit.

Functionaries should sincerely participate in the party organizational life and endlessly discipline their partisanship by learning by the noble view of organization shown by the dear leader Comrade Kim Chong-il.

Functionaries should always work and live in conformity with the party organization from a standpoint of being a rank-and-file member of the party and consciously strive to receive the party organization's guidance and control. All of our functionaries are revolutionary fighters who are fighting with the promise to be loyal to the party and the leader.

All functionaries should not forget the promises they made before the party and stand at the van of every task. By doing so, they should become a staunch *chuche*-type revolutionary, sharing life and death with the party, and a faithful servant devotedly serving the people.

Foreign Visitors Praise West Sea Barrage

*SK0402131694 Pyongyang KCNA in English 1038
GMT 4 Feb 94*

[Text] Pyongyang, February 4 (KCNA)—Foreign visitors highly praised the West Sea barrage of world standard built by the DPRK in an eight km section at the cost of 4 billion dollars.

Prof. Genevieve Clancy of Paris University No.1 of France said that the West Sea barrage is a wonderful structure showing the inexhaustible creative power of humanity. He said he had visited many countries but had never seen such a great creation beyond human imagination.

He noted that the barrage built by the Korean people with their own designs, technique and materials fully showed the mighty economic power of Korea and the indomitable fighting spirit of the Korean people who are advancing under the banner of self-reliance.

Head of the Cairo University delegation of Egypt 'Ali Muhammad Sharawy said:

"Such a gigantic barrage as the West Sea barrage cannot be seen anywhere else in the world. The U.S. imperialists and the South Korean puppets squandered a large amount of materials and funds in building the concrete wall, a symbol of division, in the area South of the Military Demarcation Line, but the people here have built a gigantic barrage for the prosperity of the country in an eight kilometer section of a rough sea. Through these two different realities we can see how just the cause of the Korean people is."

Head of a Nepalese delegation for the study of the *chuche* idea Manik Lal Shrestha said:

"The West Sea barrage is a vivid token of the enormous economic power of Korea. With the independent national economy and the revolutionary spirit of self-reliance, the Korean people are energetically stepping up production and construction, unshaken by any economic pressure and blockade of the imperialists."

Member of the Ayn Shams University delegation from Egypt Salman Sali said it was a fascinating miracle that such great project as the West Sea barrage was completed in a matter of five years.

Foreign Visitors Reportedly Praise Country

*SK0502110494 Pyongyang KCNA in English 1017
GMT 5 Feb 94*

["Korea, a Country of Independence, Self-Sustenance and Self-Reliance in Defence"—KCNA headline]

[Text] Pyongyang, February 5 (KCNA)—Foreign visitors to Korea praise Korea as a powerful country of independence, self-sustenance and self-reliance in defence.

Victor Voichita, chairman of the Romanian Party for New Society, said Korea is an independent country.

He stressed:

"Independence is the life and soul of a country and a nation. The Korean people are firmly adhering to independence in the revolution and construction as they are advancing with a tight hold on the line of independence, self-sustenance and self-reliance in defence. With this great line, Korea is vigorously accelerating socialist construction without the slightest vacillation."

Secretary General of the Central Committee of the Dominican Communist Party Narciso Isa Conde said:

"The Korean people are solving all the questions in socialist construction by their own efforts. As they have a powerful independent economy, the party, the government and the people of Korea strictly abide by their will and demand in working out and implementing lines and policies.

"The Korean people have registered world-startling achievements as we see today by implementing the line of building an independent economy under the wise guidance of the dear leader Comrade Kim Chong-il."

Prof. and Dr. P.C. Verma of the University of Delhi, India noted that the history of socialist construction of Korea practically shows the socialist cause is unswervingly advancing, overcoming whatever grim ordeals, as the idea is great and the revolutionary line is correct. He stated:

"Korean-style socialism is socialism of *chuche* which develops with the *chuche* idea as a guideline.

"The *chuche* idea is applied to the political, economic and defence sectors. The example of Korea in enforcing independent politics to defend and realize independence and building an independent economy which walks on its own feet and self-reliant national defence power capable of reliably defending the security of the country and the gains of revolution is a great success, which all the countries should follow.

"Korea which is implementing the line of independence, self-sustenance and self-reliance in defence under the wise guidance of the dear leader Comrade Kim Chong-il will further prosper and develop and stand forever as a fortress of socialism."

South Korea

Ministry Briefed on Kim Il-song Message to Clinton

SK0702063994 Seoul YONHAP in English 0626 GMT
7 Feb 94

[Text] Seoul, Feb. 7 (YONHAP)—North Korean supreme leader Kim Il-song, reiterating that his country will not develop nuclear weapons, called for better bilateral relations in a message delivered to U.S. President Bill Clinton, a Foreign Ministry official said Monday.

The message was carried to the White House by American evangelist Billy Graham, who visited North Korea from Jan. 27-Feb. 1, according to Chang Chae-ryong, director-general of American affairs. The evangelist had gone to Pyongyang once before, also carrying a verbal message from a U.S. President. Chang was briefed on the message by U.S. Embassy officials in Seoul.

The message was not in the form of a personal letter from Kim Il-song to Clinton nor was it written by North Korean officials, according to Chang. Graham simply

recorded Kim's reaction to Clinton's verbal message urging an early conclusion to the North Korean nuclear problem and wrote down the message himself, he said.

Kim was quoted as noting that he has said in the past North Korea will not develop nuclear weapons and that he wants to improve relations with Washington.

Graham added his own personal observations after talks with Kim Il-song which pictured the North Korean leader as being in comparatively "good health." He also noted that Kim was "in charge" of North Korea's relations with the United States, Chang said.

YONHAP Speculates on Message

SK0502032094 Seoul YONHAP in English 0302 GMT
5 Feb 94

[Text] Washington, Feb. 4 (YONHAP)—Speculation abounds in the U.S. capital about the content of North Korean President Kim Il-song's verbal message to U.S. President Bill Clinton. The White House officially confirmed Friday that it has received Kim's message through American evangelist Billy Graham, who visited Pyongyang last week.

White House Spokesperson Dee Dee Myers declined to disclose the content of the message. She said she simply did not know anything about the message delivered to Anthony Lake, national security adviser to Clinton.

Many diplomatic sources are said to believe that Kim's message could very well contain his "general wish" to see an improvement in bilateral relations between Washington and Pyongyang, rather than any concrete proposal on resolving the North Korean nuclear problem.

Nevertheless, a feeling of vague expectation was rising that a dramatic breakthrough may come in the stalled negotiations on the North Korean nuclear issue between Pyongyang and the International Atomic Energy Agency (IAEA).

Regardless of Kim Il-song's message, both hawks and doves in the Clinton administration and politics are proceeding with their respective preparations for measures on the North Korean nuclear question.

On the day the Kim message was delivered, for instance, the U.S. representative to the United Nations briefed the five permanent members of the security council about the latest on the North Korean issue.

The briefing was apparently aimed at preparing the security council for possible reference of the North Korean question in case Pyongyang and the IAEA fail to reach agreement on inspection of North Korean facilities.

Billy Graham met with Kim Il-song and conveyed a brief and general message from Clinton that the United States hoped there would be progress in the nuclear talks, sources said.

In response to this verbal message, Kim Il-song took the unprecedented step of replying to the U.S. President and Graham, who had volunteered to act as a messenger, apparently sensed the importance of the situation and dispatched an aide to Washington ahead of him carrying Kim's message.

The message was delivered to the White House on Friday morning and as of Friday afternoon, the U.S. State Department had not relayed its content to the South Korean side.

Many diplomatic sources say that if North Korea was to make a proposal accepting comprehensive IAEA inspections of all its nuclear facilities, it would do so through diplomatic channels. Therefore, they speculate, the chances are slim that Kim's message contained important and specific proposals on the nuclear problem.

Rather, Kim Il-song would probably have reiterated North Korea's position that it has neither the intention nor the ability to develop nuclear weapons, and instead spelled out ways to improve U.S.-North Korea relations, sources believe.

It goes without saying, the sources say, that Kim's message would not have contained the kind of "hardline tone" as an earlier statement by the North Korean Foreign Ministry that called for either "dialogue or war." After all, they say, it was a message from the president of one country to another.

In any event, the North Korean nuclear issue has reached a crossroad from where it can proceed either to resolution or U.N. sanctions.

If North Korea and the IAEA fail to reach agreement on inspections by Feb. 21, when the IAEA convenes a meeting of its board of directors in Vienna, the United States will have no choice but to take the issue to the Security Council. Friday's U.S. briefing of the five permanent Security Council members was seen as an expression of the United States' determination to resolve the nuclear issue. At the same time, the United States apparently wanted to convey "the hardline current" of the international community on the matter to China, Pyongyang's only remaining ally, which has been opposing U.N. economic sanctions against North Korea. But North Korea is well aware that it faces further isolation from the international community if it fails to reach some kind of compromise with the IAEA.

South Korea and the United States, for their part, also realize that there is a limit to the effectiveness of U.N. economic sanctions against North Korea. As a result, the United States and North Korea will do their utmost to avoid confrontation and reach a compromise.

In other words, North Korea is likely to make another proposal before Feb. 21 so that its negotiations with the IAEA are not broken off completely. Or, the United States and North Korea may resume contacts in an effort to keep their dialogue going.

From this point of view, Kim Il-song's message could be part of the process.

President, Cabinet To Meet on DPRK Issue 8 Feb
SK0702014594 Seoul YONHAP in English 0119 GMT
7 Feb 94

[Text] Seoul, Feb. 7 (YONHAP)—President Kim Yong-sam will call a meeting of national security-related cabinet ministers Tuesday morning to discuss the North Korean nuclear issue and overall security on the Korean peninsula.

The meeting will be attended by Prime Minister Yi Hoe-chang, Deputy Prime Minister and National Unification Minister Yi Yong-tok, Foreign Minister Han Sung-chu and Defense Minister Yi Pyong-tae.

The ministers are likely to work out measures to deal with the latest developments in the nuclear issue and security concerns on the peninsula, his aides said.

At this year's first national security meeting, President Kim and his ministers are expected to analyze the negotiations between North Korea and the International Atomic energy agency on IAEA inspections.

They will then discuss possible international action on the matter, sources said.

Specifically, the issues include referral to the United Nations Security Council of the North Korean question and the North's military activities in relation to security in the South.

They will also study a third round of high-level talks between Washington and Pyongyang on improving relations and the content of North Korean President Kim Il-song's personal message to U.S. President Bill Clinton.

The meeting, coming only one day before the three-day Lunar New Year's holiday, reflects the sense of urgency among South Korean Government leaders as the deadline for resolving the North Korean nuclear issue fast approaches, the sources said.

The Seoul Government wants to establish firm measures on the nuclear problem and dispel anxiety among South Korean citizens, they said. It has been widely reported that the United States will refer the North Korean nuclear issue to the UN Security Council unless Pyongyang and the IAEA reach some kind of agreement on inspections before Feb. 21, when the IAEA convenes a three-day Board of Governors' meeting.

Chongwadae spokesman Chu Ton-sik, however, tried to diminish the rising sense of crisis when he told reporters that the meeting is not being held because of any urgent developments in the North Korean nuclear problem.

"The nuclear problem has surfaced as an important question (for the government) and a pending issue throughout the world," Chu said, explaining the meeting's background.

Those attending the meeting include Kim Tok, director of the Agency for National Security Planning, Gen. Yi Yang-ho, chairman of the Joint Chiefs of Staff, and Chong Chong-uk, senior presidential secretary for foreign affairs and national security.

Reasons for Meeting Explored

SK0702075294 Seoul YONHAP in English 0740 GMT
7 Feb 94

[Text] Seoul, Feb. 7 (YONHAP)—The reason for President Kim Yong-sam to convene a meeting of national security-related cabinet ministers Tuesday is two-fold.

First, Kim wants to check out the overall security situation on the Korean peninsula in connection with the North Korean nuclear issue and dispel ordinary citizens' anxiety amid a rising sense of crisis.

Secondly, the president wants to discuss measures to counter any possible developments resulting from a failure in negotiations between North Korea and the International Atomic Energy Agency (IAEA) before Feb. 21.

No deadline has been set for Pyongyang and the IAEA to agree on IAEA inspection of North Korean nuclear facilities, but the United States has said it will have to refer the issue to the United Nations Security Council if the two sides cannot arrange for comprehensive inspections before the IAEA convenes a Board of Governors' meeting on Feb. 21.

Despite obvious efforts to minimize the seriousness of the problem, reports reaching Seoul from Washington, Pyongyang and elsewhere are disquieting, to say the least.

A North Korean Foreign Ministry statement on Jan. 31 threatened withdrawal from the Nuclear Non-Proliferation Treaty (NPT) if the United States keeps pressing Pyongyang with its "unjustifiable" demand to accept comprehensive IAEA inspections.

North Korea has openly talked about the possibility of another Korean war breaking out on the peninsula, envisioning a total defeat for the United States.

The IAEA can only conduct limited inspections, Pyongyang has said.

In view of the North Korean position, the United States is showing a much more resolute response than before.

Washington will no longer use a "carrot" in its efforts to persuade North Korea to accept IAEA inspections before Feb. 21. Instead, the United States has made it clear it will have to refer the question to the United Nations.

The United States briefed the other permanent members of the U.N. Security Council—China, Russia, Britain and France—over the weekend and requested their cooperation for action the United States will ask the world body to take against North Korea.

Moreover, there have been reports that if North Korea provokes another war against South Korea, the United States would not only defend against aggression but launch a counterattack, pushing the aggressors all the way back to Pyongyang.

Judging by these latest developments, the chances of the two sides reaching a dramatic breakthrough at the last moment are slim.

In other words, "the worst possible situation" is envisaged rather than a resolution of the question through dialogue.

This is what prompted President Kim to hastily convene Tuesday's meeting.

Consequently, President Kim and his ministers will take a close look at North Korean military movements and overall security on the peninsula. The Kim administration thus hopes to reassure the people, whose anxiety "has been amplified unnecessarily" of late.

The National Unification Board, and the Foreign and Defense Ministries all publicly say that "there has been no urgent development or North Korean military provocation that warrants immediate attention."

Tuesday's meeting, therefore, could very well make the official pronouncement that "the sense of crisis" touted by certain segments of the U.S. Government and press is exaggerated.

President Kim and the ministers are also expected to discuss in depth South Korean Government measures against every possible North Korean action.

Although there may be many aspects of North Korean nuclear policy, they can be placed into two broad categories.

First is what Pyongyang will do if and when the nuclear issue is referred to the U.N. Security Council.

The second concerns a sudden turnaround by North Korea in accepting IAEA inspections at the last minute.

The Seoul government is most likely to reaffirm its position of striving to persuade Pyongyang to follow the second course of action: South Korea believes that the North Korean nuclear question has to be resolved through dialogue.

In any event, Tuesday's meeting will also discuss what Seoul can do if North Korea pushes the issue over the brink.

Position on Solving Nuclear Issue Reiterated

SK0502110294 Seoul YONHAP in English 1048 GMT
5 Feb 94

[Text] Seoul, Feb. 5 (YONHAP)—Foreign Minister Han Sung-chu said Saturday that South Korea's consistent position on the North Korean nuclear problem is to solve the problem through dialogue. Han said at the closing ceremony of the annual conference of Korean ambassadors and envoys, "there has been an criticism that our policies on the North Korean nuclear problem are vague and not consistent. But this is different from the fact.

"There is no change in the government's position that it solves the problem through dialogue."

It is important, however, he said, for the government to take flexible measures according to change of the situation. And in the context, the government policies should maintain the "dynamic consistency."

"But we cannot rule out the possibility that the government may face an extreme situation where it should take decisive measures on the North Korean nuclear problem," he said. "Even in that case, the government will not give up the efforts to solve the problem through dialogue."

Meanwhile, Vice Foreign Minister Hong Sun-yong told journalist Saturday that, even if sanctions are used to solve the North Korean nuclear problem, the door to dialogue with Seoul will always be open to Pyongyang.

Foreign Minister on Nuclear Issue, Patriots

SK0702032994 Seoul YONHAP in English 0311 GMT
7 Feb 94

[Text] Seoul, Feb. 7 (YONHAP)—Foreign Minister Han Sung-chu said on Monday that the North Korean nuclear issue would be referred to the UN Security Council if Pyongyang did not allow the International Atomic Energy Agency (IAEA) to inspect its nuclear facilities by Feb. 21, when the IAEA Board of Governors is to meet.

IAEA Director General Hans Blix would tell the Board of Governors meeting the continuity of safeguards at North Korean nuclear facilities is not maintained in that case, Han told in his briefing session on foreign affairs for opposition Democratic Party (DP) leaders, including chairman Yi Ki-taek, on that morning.

Should North Korea receive IAEA inspections and resume inter-Korean dialogue for a new round of high-level talks with the United States, Seoul and Washington would promote a thorough and broad dialogue with Pyongyang for complete solution of the nuclear issue on the Korean peninsula, Han said.

Commenting on the Patriot missile deployment issue, the foreign minister said negotiations are under way with the United States on whether the antimissile missiles should be deployed in South Korea and when they

should be deployed, if need be, in order not to provoke North Korea, saying, "This is a very sensitive point of time in the effort to solve the North Korean nuclear issue."

The U.S. Government is positively studying a plan to deploy Patriot batteries in South Korea at the recommendation of U.S. Forces Korea commander Gen. Gary Luck, but Seoul has asked Washington to see to it that the U.S. press will be prudent in reporting about the plan in view of the influence on the on-going North Korea-IAEA negotiations and because the plan is still under negotiations between Seoul and Washington.

Minister Han said negotiations are under way with Tokyo and Beijing on the schedules of President Kim Yong-sam's visits of the two countries in march, adding that his visit to Russia within the year is also being seriously studied.

To prepare for the new world trade order under the world trade organization to be established in 1995, Han said, the government will strengthen trade diplomacy and actively participate in the new round of multilateral negotiations on environment and labor.

Minister Han Reportedly To Meet Clinton 18 Feb

SK0502061494 Seoul CHUNGANG ILBO in Korean
5 Feb 94 p 1

[Text] Foreign Minister Han Sung-chu will meet with U.S. President Bill Clinton and Secretary of State Warren Christopher in Washington on 18 February to finalize the two countries' positions regarding the North Korean nuclear issue.

In a meeting with Secretary of State Christopher, Foreign Minister Han is expected to earnestly discuss the conclusion of an extradition treaty between the ROK and the United States.

The ROK and the United States have set the date of 21 February, when the International Atomic Energy Agency [IAEA] Board of Governors' meeting is scheduled, as the deadline for the settlement of the nuclear issue. Depending on North Korea's attitude toward the nuclear issue, therefore, the 18 February meeting between Foreign Minister Han Sung-chu and U.S. leadership may be the last meeting to discuss follow-up steps for after 21 February.

Concerning North Korea's attitude toward the settlement of the nuclear issue, a relevant government high-level official said on 5 February that "as of today, the IAEA and the United States have not received any official notification from North Korea regarding its position to cancel its decision to delay the withdrawal of the Nuclear Nonproliferation Treaty," and that "there is therefore no change in the ROK and U.S. Governments' positions of resolving the nuclear issue through dialogue."

He said that "it will indeed be difficult to resolve the nuclear issue through dialogue once international sanctions have been imposed on North Korea," and added: "It is sensible to continue efforts for dialogue with the North Korean side, since there is no way of knowing what results will be gained once sanctions are imposed on North Korea."

He said that "reports by foreign papers that North Korea would refuse to accept nuclear inspection by the IAEA are not true."

Envoy to Vienna on Potential IAEA Actions

SK0502060294 Seoul YONHAP in English 0550 GMT
5 Feb 94

[Text] Seoul, Feb. 5 (YONHAP)—Among the member countries of the Board of Governors of the International Atomic Energy Agency (IAEA), concern about North Korea's nuclear program is rising and if the problem of inspections is not solved by Feb. 21, the board is likely to take decisive action, Korean Ambassador to Vienna Yi Si-yong said on Saturday.

Yi is here to attend a meeting of chiefs of Korean overseas missions.

The board of governors has expressed deep concern that North Korea rejects not only special but also general inspections. If this goes on, the IAEA's dignity will be stained and the Nuclear Nonproliferation Treaty (NPT) itself may be compromised, leading the board's member countries to share the position that the IAEA should take firm action against Pyongyang, Yi said.

"Unless the contacts between the IAEA and North Korea bring a concrete solution on nuclear inspections by Feb. 21, the day the board of governors meets, IAEA Director-General Hans Blix will report to the United Nations Security Council that the IAEA can not guarantee that nuclear materials in North Korea won't be used for military purposes," Yi said.

Yi envisioned two scenarios: The IAEA will adopt a moderate resolution if North Korea agrees to nuclear inspections by Feb. 21, or the agency will have to report to the UN Security Council on the matter if a solution is not found by then.

UN Council Discusses Sanctions Against DPRK

SK0502075894 Seoul CHUNGANG ILBO in Korean
5 Feb 94 p 1

[By Chin Chang-uk from Washington]

[Text] On 4 February, the permanent members of the UN Security Council, including the United States, the United Kingdom, France, Russia, and China, held a closed-door meeting at the request of the United States to discuss the North Korean nuclear issue. It has been learned that China was informed of a UN plan to impose

economic sanctions against North Korea. China was then asked to cooperate with the plan.

This indicates that the UN Security Council has initiated its meetings to earnestly discuss sanctions against North Korea as the deadline for the nuclear inspection of North Korea by the International Atomic Energy Agency [IAEA]—which is scheduled for 22 February—is imminent. It is therefore very significant.

A source said: Madeleine Albright, U.S. ambassador to the United Nations, who arranged that day's meeting, gave a briefing on the status of the negotiation process between the IAEA and North Korea, and said that the UN Security Council should take "action" against North Korea if no agreement was reached between the IAEA and North Korea. British, French, and Russian ambassadors supported the U.S. position.

DPRK Envoy to UN Said in Pyongyang Early Feb

SK0502080494 Seoul CHOSON ILBO in Korean
5 Feb 94 p 2

[By Chong Hae-yong from Washington]

[Text] A well-informed source in Washington said on 3 February that Ho Chong, North Korean deputy ambassador to the United Nations, visited Pyongyang between late January and early February. Observers said that Pyongyang may introduce a new negotiations card in settling the nuclear issue, since Ho Chong was in North Korea while the Reverend Billy Graham was there with a message from President Clinton.

The source said: So far, North Korea has kept in contact with its mission to the United Nations via communication facilities, such as telephone or fax. North Korea's summoning of Ho Chong is an indication that the North Korean side is worried over leakage of information on their negotiations strategy through wire taps by the United States into the communication links between Pyongyang and the North Korean missions in New York.

PRC Said Not Opposed to UN Sanctions on DPRK

SK0702013994 Seoul KBS-1 Radio Network in Korean
0100 GMT 7 Feb 94

[Text] Yu Chong-ha, ROK ambassador to the United Nations, said that China will not veto sanctions against North Korea if the North Korean nuclear issue is referred to the UN Security Council.

Ambassador Yu Chong-ha, appearing on KBS-1 Television's News Forum this morning, said that because international society has made all efforts to get North Korea to accept nuclear inspections, China will not oppose international society's measures against North Korea if North Korea rejects nuclear inspection to the end.

Ambassador Yu added that even though North Korea has delayed talks to maximize efficiency in negotiations, China views that North Korea will, eventually, accept the international society's demand for nuclear inspections.

Ambassador Yu said that even when North Korea's nuclear issue is referred to the UN Security Council, immediate sanctions against North Korea will not be imposed. He added that because the UN Security Council chairman's statement must first be announced and it must be followed with the adoption of a UN resolution, it will take about a month for sanctions to be imposed on North Korea.

Kim Il-song Said Not 'Properly Briefed'

SK0702062494 Seoul TONG-A ILBO in Korean
7 Feb 94 p 1

[Text] Thinking that because President Kim Il-song has not been properly briefed about the seriousness of the situation concerning North Korea's nuclear issue by officials in charge of nuclear negotiations, the negotiations on nuclear inspections between North Korea and the International Atomic Energy Agency [IAEA] have been in a rupture, the ROK and the United States are taking pains to take a countermeasure.

As a result of generally analyzing the remarks of evangelist Billy Graham, who visited Pyongyang on 31 January; UN Secretary General Butrus Butrus-Ghali; and Gary Ackerman, chairman of the Asia-Pacific Affairs Subcommittee of the House Foreign Relations Committee, who personally met with President Kim Il-song recently; the ROK and the United States can see that such an analysis is very likely to be true.

According to authorities concerned on 6 February, President Kim Il-song has an optimistic view that the nuclear issue will be properly resolved through dialogue with the United States but he is not aware that North Korea should accept full-scope inspections by the IAEA in a bid to hold dialogue with the United States.

On the same day, a government official said that "It was highly likely that North Korean officials in charge of nuclear issues reported to President Kim that accepting only limited inspections [chehan sachal] by the IAEA is necessary to resolve the nuclear issue." He added that "They, however, have not reported again to President Kim Il-song that North Korea should accept full-scope inspections to meet the IAEA's demand."

Considering the closed North Korean system, the ROK and the United States are concerned about the fact that because North Korean officials in charge of nuclear negotiations worry about their reshuffle, they will adhere to the limited inspections without using a "negotiation card" in negotiations on inspections and, thus, they may lead the situation to an unexpected catastrophe, including the nuclear issue which may be referred to the UN Security Council.

Israeli Prime Minister on DPRK, Palestine Issues

SK0602141794 Seoul KBS-1 Television Network in Korean 1221 GMT 6 Feb 94

[Report on an "exclusive interview" with Israeli Prime Minister Yitzhaq Rabin by correspondent Yi Hong-ki in Jerusalem, date not given—recorded; Rabin's remarks are in English with captions in Korean; italicized passages indicate portions audible in English that differ from the Korean translation]

[Text] At the beginning of the year, KBS realized for the first time an exclusive interview with PLO Chairman 'Arafat. Following this, KBS realized an exclusive interview with Israeli Prime Minister Rabin, who is the negotiation partner of Chairman 'Arafat. In the interview with KBS, Prime Minister Rabin revealed his views on the North Korean nuclear issue and economic cooperation with the ROK. Correspondent Yi Hong-ki reports from Jerusalem.

[Begin recording] [Yi] In an interview with KBS, Israeli Prime Minister Rabin pointed out that North Korea is a dangerous state, not only for the ROK but also for the Middle East. He stressed that it is the responsibility of the international community to check North Korea's provocative intention.

[Rabin] We look at North Korea as a great danger not only to your country but also to the Middle East. North Korea does not make any effort for the nonproliferation of weapons. It has even long-range missiles. *The North Koreans do not participate in any international agreement in a practical way. To prevent preparations of non-conventional weapons and long-range missiles....*

[Yi] Prime Minister Rabin said that the ROK's development experience will be helpful to the economic development in the Middle East, and hoped that the ROK will actively participate in the construction and industrialization fields.

Prime Minister Rabin pointed out that the agreement on the implementation of the Palestinian autonomy is aimed at opening a new phase. Therefore, it is the most important issue for the two sides to reach a satisfactory agreement, thus suggesting a possibility of delaying the time of concluding the agreement.

[Rabin] Even though the time is important, the basic question is to have an agreement with the Palestinians and with the PLO that will bring about implementation, a good one.

[Yi] Prime Minister Rabin said that no fixed date has been designated for the withdrawal of the Israeli Army from the planned Palestinian autonomous area but only a goal is set for the withdrawal at an appropriate time. Therefore, the deadline for the withdrawal of 13 April is not likely to be the important issue of dispute. [end recording]

Japan's Ozawa Cited on DPRK Nuclear Issue
SK0602142494 Seoul KBS-1 Television Network in Korean 1230 GMT 6 Feb 94

[Text] Ichiro Ozawa, representative secretary of the Japan Renewal Party, who is a behind-the-scenes real power holder of the Japanese coalition government, said that he believes North Korea already possesses nuclear weapons, and predicted that power a struggle will arise in North Korea after President Kim Il-song is retreated.

In a television interview this morning, Secretary Ozawa said that North Korea apparently possesses nuclear weapons. But he failed to show evidence that can support his allegation of suspicion of nuclear arms development. He pointed out that North Korea is an incredibly fanatic society and that the struggle will be triggered so that the right succeeds to power after Kim is retreated and that there is a possibility that an upheaval will be touched off on the Korean peninsula.

Daily Reports ROK, U.S. Prepare for Team Spirit
SK0702091594 Seoul CHUNGANG ILBO in Korean 7 Feb 94 p 1

[Report by Chin Chang-uk from Washington]

[Text] The WASHINGTON POST reported on 7 February: The U.S. Government seems to believe that its efforts to resolve the North Korean nuclear issue have indeed failed. Accordingly, the U.S. Department of Defense has already instructed U.S. reserve troops on its mainland to prepare for participation in the Team Spirit exercise.

The paper reported on 7 February that the time for negotiations to resolve the North Korean nuclear issue have likely run out, and that the U.S. Government's attitude indicates there are some changes in its position, which has so far expected the nuclear issue to be resolved by diplomatic efforts.

The paper reported that the U.S. Department of Defense had ordered an additional 1,000 U.S. reserve troops to report to U.S. Forces stationed in the ROK if the North Korean nuclear issue is not resolved before 21 February, when the International Atomic Energy Agency [IAEA] Board of Governors meeting is scheduled.

The paper reported: IAEA authorities in Vienna have said that they are getting tired of holding negotiations with North Korea regarding inspection conditions and that they expect the IAEA Board of Governors to refer the North Korean nuclear issue to the UN Security Council.

The paper also reported that the White House would soon determine and announce the deployment of Patriot missiles to U.S. Forces in the ROK.

The Team Spirit joint military exercise, which has been conducted by the ROK and the United States since 1976,

is prepared for in early January every year. In early March, field mobile exercises of the Team Spirit exercise are usually conducted. Up to the present time, however, the ROK and the United States have not prepared for the exercise as a result of nuclear negotiations between the IAEA and North Korea.

Editorial Notes 'Misgivings' Over Perry Document

SK0502003094 Seoul THE KOREA TIMES in English 5 Feb 94 p 6

[Editorial: "U.S. Military Salesmanship"]

[Text] As the Republic of Korea and the United States are endeavoring to bolster their combined defense capabilities amid the heightening tension over the North Korean nuclear development program, it is worried that commercial factors might play a role in the decision-making process on crucial security affairs.

When Washington officials confirmed the U.S. plan to deploy Patriot missile batteries in Korea on a request from the commander of the U.S. Forces in Korea, there were immediate speculation of a possible link with moves to promote the sale of the now-famous anti-missile system to Korea. Recent U.S. media reports included quotations from senior U.S. defense officials encouraging South Korea to consider the purchase of the Patriot missile which they vouched as the best system at the present time.

It is known that Seoul's defense authorities have had considerable interest in the Patriot system since its employment in the Gulf War and that preliminary negotiations started in mid-1993 between military procurement officials here and the Raytheon Co., the U.S. manufacturer of the missile. Yet, it is not quite gratifying to witness U.S. officials showing great salesmanship as if representing their defense contractors.

On top of this, an embarrassing document has been disclosed here involving U.S. Deputy Secretary of Defense William Perry in which Perry, who has been nominated for Pentagon chief, strongly suggested that South Korea purchase a specific airborne self-protection jammer for the Korean Fighter Program on a commercial basis. U.S. reports have it that this particular ASPJ system had been found defective in tests, adding to our dismay.

Under the U.S. Foreign Military Sales (FMS) program, which has been the primary channel of Korea's procurement of U.S. military hardware, the U.S. Government, which often arranges long-term, low-interest credits for the transactions, retains the right to approve the supply of specific items.

In the course of implementing the FMS program, the possibility of U.S. defense officials' opinions affecting the choice of weapons may not be excluded. But suggesting Korea purchase a specific item on a commercial

basis outside the FMS avenue is certainly extraordinary. We hope that responsible U.S. officials restrain themselves from being involved in military procurement schemes directly or indirectly so as not to cause unnecessary misgivings on this side of the military alliance.

Papers Examine Perry's Letter

SK0502082994

[Editorial Report] Local vernacular dailies on 4 and 5 February carry reports, articles, and editorials on new Secretary of Defense William Perry's "pressuring" of ROK Defense Minister Yi Pyong-tae last December to purchase the reportedly "defective" Airborne Self-Protection Jammer (ASPJ) for the Korean Fighter Project (KFP) for installation on F-16 fighters to be flown by the ROK Air Force.

The moderate HANGUK ILBO on 4 February carries on page 1 a 500-word report by Washington-based correspondent Chong Il-hwa headlined "Letter Uncovered Confirming U.S. Defense Secretary Nominee (Then Deputy Defense Secretary) Pressuring the ROK To Buy Arms—HANGUK ILBO Obtains Letter Urging Minister Yi To Buy Faulty Radar Jammer, Requests Purchase Outside FMS Channels, Contrary to Common Sense, Raises Suspicion of Lobbying for U.S. Manufacturers." Featuring a photo copy of Secretary Perry's letter to Defense Minister Yi Pyong-tae dated 23 December 1993 recommending that the ROK purchase the ASPJ via commercial channels instead of through the Foreign Military Sales (FMS) process, the report says, "It was confirmed on 3 February that William Perry, U.S. secretary of defense-nominee, sent an official letter to Defense Minister Yi Pyong-tae to sell the ASPJ, the radar jammer for F-16 fighters, to the ROK on disadvantageous terms." Citing the letter's file number of 1-93/004246 and the gist of the contents of the letter, the report says, "The letter leads us to suspect that he in fact pressured for the procurement of the ASPJ deviating from the normal practice in arms deals. In particular, because this offer is made under the situation where the shortcomings of the ASPJ had been found in a trial flight, suspicion arises that Secretary-nominee Perry might have been asked to lobby for ITT and Westinghouse, the manufacturers of the ASPJ. Meanwhile a U.S. Defense Department official said, 'We understand that the ASPJ was found to be short of its expected functions in the U.S. Defense Department's test flight in 1992.'" The report cites an article by THE NEW YORK TIMES that said the letter would have been a problem at Perry's confirmation hearings.

The moderate TONG-A ILBO on 5 February carries on page 3 an 800-word editorial entitled "Transparency, Fairness Required for Arms Procurement." The editorial notes ongoing "unsmooth" U.S.-DPRK nuclear negotiations which could lead to war on the Korean peninsula. The editorial then notes the report on the deployment of Patriot missiles to the ROK and the "rumor" on U.S. pressure to procure the ASPJ, adding,

"It is natural that these have become hot political pending issues." The editorial then notes, "The issue of procurement of the ASPJ leads one to suspect that it involved U.S. pressure on us to buy it deviating from the normal practice of an arms deal." The editorial then goes on to say, "The lobbying by major powers in their endeavor to sell their arms should not become a high-handed one hurting friendly relations between the countries concerned. If the major powers regard our country as a country for dumping their arms waste, it should be regarded as a grave matter hurting the mutual friendly relations." The editorial then notes the ROK Ministry of National Defense (MND) clarification concerning the issue that the MND does not regard Secretary Perry's letter as intending to pressure the ROK to purchase the ASPJ and that "although the ASPJ in question falls short of the standard required of the test, it is not defective equipment and that it is better equipment than the equipment in current use." The editorial then concludes, "The important thing is our attitude. We must procure the arms we need at the most reasonable price."

The moderate TONG-A ILBO on 5 February carries on page 4 a 600-word article by reporter Ha Chun-u entitled "Why the ROK and the United States Differ in Their Opinion—Focus on the Procurement Method of Radar Jammers—Commercial Contract With U.S. Firms Disadvantageous Pricewise." The article notes that attention is focused on the cause and background behind the method of procuring the ASPJ since the ROK and the United States are showing differences over the method of its purchase. The article then notes, "The U.S. operational test of the ASPJ in 1992 proved some of its functions to be short of the standard required of the test. The U.S. military authorities wanted to solve this problem but suspended the development project because of defense budget cuts." The article notes the disadvantage of purchasing the ASPJ through the commercial sales process over the purchase through the FMS process. The article then concludes, "The MND, therefore, is demanding that the United States employ the FMS process as originally agreed. It appears that the MND will watch the U.S. attitude until the United States makes an official specific proposal for a change in the procurement agreement."

The moderate HANGUK ILBO on 5 February carries on page 3 a 1,200-word report by Washington-based correspondent Chong Chin-sok entitled "Defense Secretary's Nomination Ratified Without Mentioning His Pressure on Arms Purchase—U.S. Senate Keeps Silent in Consideration of National Interest, Arms Sale to ROK Creates 20,000 Jobs, the Press Which Criticized Inman Now Remains Dumb." The article notes U.S. Senate ratifying on 3 February U.S. defense secretary nominee as secretary of defense without making issue of his reported pressure on the ROK to buy ASPJ. The article notes, "The press, which was so critical of Inman for a minor thing now remained silent," despite his alleged recommendation that ROK buy faulty arms through commercial channels. The article says, "The senators must have

had a good preconception of Perry because he is a person with a background of a military-defense industry complex, which leads the Arms Services Committee, whose relationship with defense industrialists is inevitable, to have a good opinion of him." The article notes, "If the ROK buys the ASPJ in question, the manufacturers of Westinghouse in Baltimore and ITT in New Jersey will have a sudden boom in business creating 20,000 jobs for the American people." The article then observes, "The possibility of ROK-U.S. friction because of the Perry letter seems remote in view of the sensitive nature of the episode." The editorial concludes, "Nevertheless, one has to give serious thought to the comment of those in the political circles who say, 'This episode is reported at a time when the security situation on the Korean peninsula is delicate, leading us to worry that it could affect the security cooperation system between the ROK and the United States.'"

The moderate HANGUK ILBO on 5 February carries on page 3 a 1,400-word article by reporters Chong Pyong-chin and Son Tae-kyu on the position of the MND, the Chongwadae presidential offices, and Foreign Ministry on Secretary Perry's letter. The article notes the MND position, notes MND's embarrassed position, MND's worries that the report on Perry's letter could adversely affect the ROK-U.S. military diplomacy and cause the damage to the reputation of the F-16 fighters. The article refers to a remark by An Pyong-kil, second assistant defense minister, who stated on 4 February, 'It is not desirable that our relations with the United States are affected by this minor problem. New Secretary of Defense Perry could fall into a difficult position because of this report, and this situation is not desirable for us.' The article notes that this position of the MND comes from the MND judgment that Perry's letter is not a means of applying pressure but advice. The MND thinks that because of the friction between the U.S. Congress and the U.S. Administration, "the ROK's purchase of the ASPJ became difficult through the FMS process as originally agreed, Perry requested our side to buy it through commercial sales." Assistant Minister An noted that "ASPJ is only part of the electronic device of the airplane, and the MND is worried that the report on the shortcoming of some function of the device could arouse misunderstanding that there is a problem for the new generation fighter project as a whole." The article then notes the Chongwadae position, notes its embarrassed position, and refers to the comment of a Chongwadae official, who says: "We have periodically demanded that the United States ensure our purchase of the electronic jammer according to the contract. We did so having in mind the indemnity in case of a breach of contract. As for the letter sent by the then Deputy Defense Secretary Perry, the United States might have wanted to leave a ground of informing us of the possibility for the purchase of the ASPJ through commercial channels in case its fulfillment of the contract becomes difficult for failure to get the U.S. Government approval." As for the so-called pressure on the ROK to buy the ASPJ through commercial channels, the Chongwadae official said, "It is far

from truth. The United States informed us of its will that it will understand it if we think we should purchase through the commercial channels the electronic jammer which failed to get the U.S. Government approval in its performance test. We have reconfirmed our position to the U.S. side that we hope intergovernmental procurement will be made according to the F-16 purchase plan. It is absolutely impossible for us to buy it through commercial channels." The article then notes the Foreign Ministry official's remarks, who says: "We have no knowledge of the Perry letter. If our government regards this letter as pressure on us, the Foreign Ministry can consider a corresponding diplomatic measure. In view of the fact that defense secretary was unanimously approved in the U.S. Senate in the ratification hearing, the United States does not seem to regard this letter as 'an illegal document intended to exert pressure,' the Foreign Ministry, therefore, holds a position that we should treat this issue prudently."

The pro-government SEOUL SINMUN on 5 February carries on page 3 a 300-word report on the MND position on the Perry letter. It quotes An Pyong-kil, second assistant defense minister, as saying on 4 February: "We have reconfirmed our position that our position of purchasing the ASPJ through the FMS process, rather than the commercial sales channel as advised by the U.S. Government, and we will continue to maintain this position."

U.S. Budget Cuts Said To Impede F-16 Imports

SK0702024694 Seoul HANGUK ILBO in Korean
7 Feb 94 p 2

[YONHAP report from Washington]

[Text] It has been learned on 6 February that the U.S. Government has excluded research funds for promoting the capacity of the airborne self protection jammer [ASPJ] from the budget for fiscal year 1995. Accordingly, this step may frustrate the ROK Government's plan to introduce U.S. F-16 fighter planes for which an enormous part of the national treasury has been earmarked.

Such a measure virtually violating the ROK-U.S. contract on the airborne project was confirmed from the budget bill for fiscal year 1995 which was presented by the U.S. Defense department that day.

The issue regarding contract implementation has already caused friction between the ROK and U.S. Governments. However, it is likely that this issue will create more stir in ROK-U.S. relations regarding mutual security cooperation as newly appointed U.S. Secretary of Defense William Perry has been learned to have been deeply involved in drawing up the budget.

Secretary of Defense Perry, hinting that the U.S. Defense Department cannot guarantee the quality of products manufactured by ITT, has recently put de facto pressure on the ROK to purchase the planes on a civilian level.

The budget bill presented by the U.S. Defense Department does not mention a word on financial support for promoting the ASPJ's capabilities. In other words, the U.S. Defense Department has withdrawn its previous position of supporting the project to promote its capabilities which was conducted under the U.S. Navy's supervision, as the project ended in failure. Accordingly, the delivery of F-16 fighter planes which was slated for this October is expected to be delayed.

In connection with the report, the ROK Defense Ministry on 6 February clarified that "the plan to bring in F-16 fighter planes in October will go according to schedule as the ASPJ is not an essential part of F-16 fighter planes but auxiliary equipment."

Further on F-16 Imports

SK0702025994 Seoul YONHAP in English 0226 GMT
7 Feb 94

[Text] Washington, Feb. 6 (YONHAP)—South Korea's next-generation fighter program calling for the purchase of F-16 fighters equipped with an improved radar jammer has hit a snag, as the Pentagon has excluded development money for the new jammer model from its fiscal 1995 budget.

In Seoul the program, known as the Korean Fighter Program (KFP), has become a political issue because of suspicions surrounding the selection of F-16's as the Korean Air Force's next-generation fighter.

The Pentagon's action, which apparently violates the Seoul-Washington contract on the KFP, was made known on Sunday when the Pentagon released its fiscal 1995 budget paper. It is expected to cause problems in the security relationship between the two governments.

Seoul and Washington have been disputing the question of fixing the Airborne Self-Protection Jammer (ASPJ) on the F-16 fighters to be supplied to South Korea over the next several years, and new Defense Secretary William Perry was recently found to have been involved in the row when he was deputy secretary.

The Pentagon budget paper does not mention the money needed to improve the existing ASPJ model. This is seen as meaning that the Pentagon has washed its hands of the ASPJ project, seemingly because it failed to turn out an improved model.

The suspension of the ASPJ project would delay delivery of the F-16 fighters, set to start in October, which would in turn pose a stumbling block to the KFP, estimated at 5.4 trillion won (6.7 billion U.S. dollars).

The Pentagon promised to supply F-16 fighters equipped with an improved ASPJ model for the KFP, according to South Korean officials here. But Defense Secretary Perry is known to have recently pressed Seoul to buy ASPJ devices through commercial channels because the Pentagon cannot guarantee the quality of the ASPJ developed by ITT Corp.

Seoul has urged Washington to keep its promise to fit a new model of ASPJ to the F-16 fighters for the KFP and supply the fighters for the foreign military sales program, not through commercial channels.

'Abnormalities' in DPRK Power Succession Noted

SK0702113794 Seoul CHUNGANG ILBO in Korean
7 Feb 94 p 5

[Article by An Song-kyu: "Rumors on Abnormal Atmosphere Concerning Kim Chong-il's Succession to Power"]

[Text] Indications of an abnormal atmosphere regarding the power succession in North Korea have recently appeared one after another, thus attracting the people's attention. The fact that Kim Il-song is personally handling state affairs has been verified by visitors to the North. Kim Yong-chu, who returned as a Political Bureau member, said that the succession to power will not take place until Kim Il-song dies. In addition, as is known, a resolution concerning the delay of succession to power was adopted at a session of the Workers' Party of Korea [WPK] Political Bureau in October 1993.

It has been learned that Reverend Billy Graham, based on talks with President Kim Il-song during his recent visit to Pyongyang, had an impression that Kim Il-song is personally handling the nuclear issue more attentively than before and is surely controlling state affairs.

According to an intelligence source, during his visit to North Korea Rev. Graham presented gifts to President Kim Il-song and Kim Chong-il and received a present in return from Kim Il-song, but not from Kim Chong-il. When Rev. Graham visited Pyongyang in March 1992, he received gifts, including return presents, from both Kim Il-song and Kim Chong-il.

When Rev. Graham visited in 1992, President Kim frequently mentioned Kim Chong-il, but he was never mentioned during this visit. Moreover, he appeared to be avoiding mentioning Kim Chong-il. This information, confirmed by close associates of Rev. Graham, evokes speculation that certain abnormalities might have been ignited in the succession to power in North Korea.

The atmosphere of Rev. Graham's visit to North Korea gives an impression that the situation has changed from the past and that the responsible figure for state affairs is Kim Il-song himself. Besides, sources on North Korean affairs confirmed that the party Political Bureau meeting in October 1993 adjusted the schedule of Kim Chong-il's succession to power.

A foreign news report noted that Kim Yong-chu—who at one time, it was learned, was nominated as successor to Kim Il-song but disappeared from the power structure then returned to the Political Bureau last year, said in a conversation with diplomats from the third world that "Kim Chong-il will retain the posts of secretary of the Workers' Party and supreme commander of the People's Army until Kim Il-song dies." His remarks mean Kim

Chong-il's early succession to power will be denied and suggest that something abnormal is occurring in the succession to power.

Relevant officials observe that such a trend remarkably differs from the remarks made by Kim Il-song in an interview with THE WASHINGTON TIMES on 12 April 1992, when he said: "Secretary Kim Chong-il is controlling the overall national administration."

However, phenomena totally denying such observations have been published by the North Korean press and mass media.

Since the beginning of this year, the North Korean press has intensified its idolization campaign of Kim Chong-il, which has even surpassed the idolization campaign of Kim Il-song. In addition, Kim Il-song's New Year address, which has been repeatedly broadcast on several occasions each year in the past, was repeated only once this year. Thus, broadcasts related to Kim Il-song have been reduced. On the contrary, intelligence organizations have noted that the propaganda campaign on Kim Chong-il's greatness and events inspiring loyalty to Kim Chong-il have increased.

Concerning such two contradictory trends, relevant high-ranking government officials and experts in North Korean affairs cautiously put forward a hypothesis that "the schedule of power succession is being readjusted and early succession will be delayed."

They said: It is apparent that a session of the North Korean Workers' Party Political Bureau on 18 October 1993 adopted a resolution that Kim Chong-il temporarily retreat from the seat of power and Kim Il-song again control the national administration.

The intensive changes in the power structure, which took place after the Supreme People's Assembly conference in December 1993, have aroused constant speculation concerning the change in Kim Chong-il's position.

This speculation is based on the fact that Kim Yong-chu has returned to power as a Political Bureau member and vice president; Kim Yong-sun, secretary of the Workers' Party in charge of South Korean affairs and close associate of Kim Chong-il, was relieved from the post; and Kim Tal-hyon, vice premier and chairman of the State Planning Commission, was reassigned to a manager of a vinylon enterprise.

Viewing this, it is observed the present atmosphere indicates that by reshuffling his close associates, Kim Chong-il was called to account for handling the national administration and his early succession to power, which has been constantly raised in the past, has become void.

In view of the characteristics in the power structure within the North Korean system, adjustment of the schedule of power succession is not meant to basically shake the structure of succession and power organization, but to make Kim Il-song appear as the seat of power

to handle overall state affairs for the time being. As a result, it is likely that even after Kim Chong-il's retreat from the present position of power, a propaganda campaign for him will be intensified in the future, thus showing dual trends.

Official Confirms DPRK Possession of MiG-29's

SK0702021794 Seoul CHOSON ILBO in Korean
7 Feb 94 p 2

[Article by Yu Yong-won]

[Text] It was learned on 6 February that North Korea concluded a contract with the former Soviet Union to buy 100 MiG-29 jets by the end of the eighties and succeeded in the assembly-production of MiG-29 in 1992.

A government intelligence official revealed that "it has been confirmed that, by using the parts and facilities North Korea introduced from the former Soviet Union in 1991, North Korea succeeded in assembly-production of two MiG-29 jets at the Panghyon plant." MiG-29 jets are Russia's ultramodern fighters that are recognized as being superior to U.S. F-16's which the ROK Air Force is expected to import for its Korean Fighter Program.

North Korea's assembly-production success draws public attention, because this means that the technology of North Korea's arms industry has surpassed expectations.

Another high-level government intelligence official said that "the government is keeping close watching over North Korea's possible production and introduction of more MiG-29 jets." North Korea began introducing MiG-29 jets from the former Soviet Union in the mid-eighties and now possesses approximately 20 MiG-29 jets.

DPRK Defector Reports on Conditions, Security

SK0702093594 Seoul YONHAP in English 0928 GMT
7 Feb 94

[Text] Seoul, Feb. 7 (YONHAP)—A recent North Korean defector said here on Monday that he chose to escape the North because he couldn't stand worsening food conditions and tight surveillance of him there.

Chong Ki-hae, age 52, told a press conference that food rations in the North had consisted mainly of soy beans and corns mixed with those grains reserved for livestock feeds until early last year.

"Beginning last May, however, even these ceased to be rationed. Our family had to live on potatoes alone in the past six months," Chong said.

The defector, a repatriate from Japan, said he had earned 176 North Korean won a month as a work team head at the Unhung mine machinery plant in Yanggang Province. He said that only about 60 percent of the wage

had actually been paid, with which, he said, it was extremely difficult to support his family. Because of his being a repatriate, Chong said, he had been placed under close surveillance by public security authorities for 30-odd years since his repatriation from Japan in June 1960.

"Like me, all other repatriates had chosen to move to North Korea at sugar-coated promises by North Korea," Chong said. "They are leading miserable lives under the watchful eyes of the security authorities."

The defector said he crossed the Tuman River into China on Dec. 30 last year and stayed in Yanji for about 20 days before reaching Pusan. He declined to say how he could come to South Korea. Chong said his wife and five children are staying in North Korea, adding that his father was born at Yongchon near Taegu in South Korea.

Government To Help SRV Form Economic Plan

SK0502045794 Seoul MAEIL KYONGJE SINMUN in Korean 5 Feb 94 p 1

[Text] The government has decided to actively participate in the Vietnamese Government's five-year economic development plan.

On 4 February, relevant ministries, including the Economic Planning Board and the Ministry of Trade, Industry, and Resource, said that the government had decided on formally participating in the Vietnamese State Planning Committee's establishment of a five-year economic development plan via the Korea Development Institute. They added that the government would formulate various plans, including the specific economic planning formula and other development work projects.

Vietnam To Return Community Center to ROK

SK0702011594 Seoul YONHAP in English 0051 GMT 7 Feb 94

[Text] Seoul, Feb. 7 (YONHAP)—The South Korean Community Center in Ho Chi Minh City is expected to be turned over to Koreans, resolving the education problem for children of Korean expatriates and diplomats, a Foreign Ministry official said Sunday.

The Korean Consulate General in Ho Chi Minh City has been seeking the return of the 162-pyong (534.6-square-meter) two-floor community building that was used as a Korean school and Taekwondo gym until the withdrawal of Korean troops in 1975, when Saigon fell to North Vietnamese Forces.

Ho Chi Minh City officials have pledged that they will soon return the building, currently used as an English-language institute, the official said.

An estimated 600 Koreans including diplomats and expatriates are in Vietnam. If the building becomes a Korean school as before, their children's education problem will be resolved to some extent, he added.

As there are no Korean schools in Vietnam, Korean students currently attend nearby Malaysian or Singaporean international colleges and French or Australian primary schools.

President Kim Condemns Violent Demonstrations

SK0702104094 Seoul YONHAP in English 0839 GMT 7 Feb 94

[Text] Seoul, Feb. 7 (YONHAP)—President Kim Yong-sam, declaring that violent demonstrations are the greatest enemy of democracy, said Monday they cannot be justified under any circumstances.

"Violent demonstrations, especially against policemen who are guarding the nation, democracy, and law and order, are unacceptable," the president said on receiving a new year's policy report from Seoul City Mayor Kim Won-chong.

The home affairs minister and the national police administrator must tackle violent demonstrations with firm determination, Kim said, adding that he will ask them to take responsibility if they fail to do so.

The president's comment on demonstrations came a few days after thousands of farmers and student sympathizers staged a violent protest in the heart of Seoul against the opening of the domestic rice market to imports under the Uruguay Round of trade negotiations.

Kim said his administration, elected by a majority of the people through democratic means, is different from the authoritarian governments of the past.

Violent anti-government demonstrations, therefore, cannot be justified under any circumstances, he said.

Now is the time for the country to establish a "demonstration culture," or a correct and democratic way of advancing different opinions.

President Expresses Will To Hold Clean Elections

SK0702012494 Seoul YONHAP in English 0101 GMT 7 Feb 94

[Text] Seoul, Feb. 7 (YONHAP)—President Kim Yong-sam, convinced that the success or failure of his administration depends on political reform and "an election revolution," plans to bring about drastic changes as soon as the National Assembly adopts political legislation at its extraordinary session in February. Pending in the National Assembly are political reform bills on unified elections, political fund-raising and local autonomous bodies.

As part of the reforms, President Kim hopes to have the political fund-raising law revised and passed by the National Assembly so as to halt under-the-table contributions and other illegal funding channels.

The current law on political fund-raising has been all but dead since Kim's civilian administration was launched last February, with the president declaring that he would receive no money from political funds.

One senior Chongwadae [presidential offices] official on Sunday acknowledged the persistent skepticism regarding the practicality of revising the political fund-raising bill as "the proposed revision is idealistic."

"But those who voice doubt about the revised bill are the ones who do not know the will and determination of President Kim for political reform," the official said, adding that the flow of "all black money" will be shut off in the future.

The government will help carry out the current elections for heads of the nation's agricultural, fishery and livestock cooperatives in a fair and correct manner.

It hopes to apply the revised election law beginning with by-elections for local councils that are scheduled for this year, the official said.

He said the government will then employ its power to hold fair and clean elections for chiefs of local autonomous governing bodies and polls for provincial and city councils in 1995.

President Kim has said that he will carry out political reform at any cost, even if it means that all National Assembly representatives lose their seats for violating the election law, the official added.

The president also believes that political reform should be realized not in stages but in a drastic manner, he said.

Low Military Morale Said To Effect Security

SK0702093094 Seoul TONG-A ILBO in Korean
7 Feb 94 p 3

[Editorial: "Military Morale Cannot Be Regarded Idly"]

[Summary] A survey conducted by the Agency of Defense Development gives a shocking report that 87 percent of military-related personnel regard their social status as lower-middle class and that 56.1 percent reported they would dissuade their children from becoming professional soldiers.

"Military morale is at its lowest," is illustrated by the fact that 71.5 percent of the respondents said their welfare was dissatisfactory.

National Defense Minister Yi Pyong-tae has also stressed the enhancement of military morale on various occasions. The Army can complete its missions only

when high military morale is added to strong combat capabilities and outstanding strategy and equipment.

With the end of the cold war, the world is turning toward peace, reconciliation, and cooperation. The "economic war," however, is becoming fierce. We cannot win the economic war without a security posture based on strong combat capabilities.

The situation on the Korean peninsula, where the cold war continues, demands more emphasis on security posture. Therefore, it is time for our people to stand in front to recognize the importance of security posture and pay more attention to the enhancement of military morale.

Editorial Views Government's Security Posture

SK0702093294 Seoul CHUNGANG ILBO in Korean
7 Feb 94 p 3

[Editorial: "Is There Really No Problem in Security Posture?"]

[Summary] Misgivings due to prevailing war scenarios on the Korean peninsula are being amplified by the analysis by the U.S. Defense Department that North Korea already possesses nuclear weapons and has developed transportation devices. The situation has become even worse with North Korea's forward disposition and the U.S. Pyongyang occupation strategy. We want to ask the government and the Army if we really need to worry about our security, and if we would be able to deter and ease the worst possible situation.

The best combat capability is deterrence. Therefore, our government should have confidence in the following five areas:

First, strengthened acquisition and analysis capability of intelligence concerning North Korean affairs. The North Korean nuclear issue is not an issue of the United States or Japan.

Second, military morale. The recent survey showing that our soldiers do not have self-confidence in their profession could result in a crisis.

Third, establishment of a reliable military image, that is, to clear up all doubts regarding arms purchase irregularities.

Fourth, answer doubts concerning the arms system, including the jamming system of the F-16's and other Yulgok projects.

Fifth, establishment of a unified reunification policy and a consistent security policy.

Brunei, Malaysia & Singapore**Malaysia****Mahathir Welcomes Lifting of U.S. Embargo***BK0402135494 Kuala Lumpur Radio Malaysia
Network in English 1300 GMT 4 Feb 94*

[Text] Malaysia welcomes the lifting of U.S. embargo on Vietnam. Prime Minister Datuk Sri Dr. Mahathir said it is important that Vietnam recovers from the effects of the war and grows to prosper just like other countries in Southeast Asia.

Replying to a question at an open forum with the members of the Philippine Chamber of Commerce and Industry in Manila, he said Malaysia believes when countries are prosperous they are less likely to cause problems to their neighbors. He said already Vietnam is moving very forward and that is the result of the investment of (southern) countries, including Malaysia. He feels that Malaysia should invest and help Vietnam recover so that it has invested in the stability of the region. In this way its people will become prosperous and buy more goods from Malaysia.

Datuk Sri Dr. Mahathir is also asked on the possibility of bringing in the professionals from the Philippines to overcome the shortage in Malaysia. He said this is one area that could be looked into by both countries.

Editorial Hails Embargo End*BK0702110894 Kuala Lumpur NEW SUNDAY TIMES
in English 6 Feb 94 p 16*

[Excerpt] For the heirs to the heroism of the Vietminh, the bruising of the American ego by defeat in the Vietnam War had cut both ways. The United States, booted out of a dirt-poor Third World country as a neocolonial oppressor, would never again meddle in Indochina—an outcome that was to dull the sweetness of victory into the blandness of irony in the course of time. Vietnam's seasoned soldiers found it hard to consecrate their glory in peace, and for more than a decade after the fall of Saigon in 1975, they strove to rule the regional roost, standing up to all outside pretenders. The exertions of military power, even after the roost was reached, could not still the groans of empty stomachs, however. The doi moi [renovation] reforms were instituted in 1986, and soon after, the irony of victory was made plain. Vietnam's economic horizons were clouded by the sore indifference of the world's biggest economic power.

Until today the injured pride of American patriotism is still refusing to heal, and upon turning its back on Indochina, America found it hard to forgive and forget. Thus, the sourpuss' fault-finding denial of diplomatic and economic good sense—since the end of Cold War rivalry, U.S. policy over Vietnam, and by extension, the whole of Indochina, has been held to ransom by a handful of MIA refuseniks. How the MIA issue, the

agitprop made out of 2,238 missing in-action servicemen still unaccounted for, can still sear the national conscience, is due to the recrudescence of Yankee pride marked by the Reagan presidency after years of liberal protest and self-doubt.

Only the right-wing America Firsters can carry the compulsion to get even as belatedly as this and assign Ann Mills Griffiths, executive director of the National League of Families (of MIAs) a central role in the highest inter-agency policy planning level. "Because of her, U.S. policy towards Vietnam was determined by the narrow—albeit deserving—concerns of the MIA families," according to a pro-normalisation advocate in Washington. The Clinton Administration, in spite of its eye on the domestic implications of foreign policy, has kept a safe distance from the emotive pull of the bereaved families. To the president's credit, he has attempted a rational tack, one directed at a constituency governed by the hard facts of economic realism. The announcement of the lifting of the 30-year-old trade embargo was excitedly welcomed by U.S. businessmen in Hanoi yesterday.

In spite of Clinton's cleverness at political dissimulation—he said the embargo's withdrawal was intended to get the "fullest possible accounting" of the MIAs and denied its practical merits—the move is a first step towards long overdue normalisation. Part of this procrastination has been due to Clinton himself: a good-guy president who is much too vulnerable to angry placard-waving. No matter how it has been packaged and disguised, the president's hard-headed practicality in the Vietnam issue is a change from his usual weak-stomached dallying over foreign policy. Vietnam, of course, has it all to gain. No one is going overboard in expectations of a flood, but at least the door has been flung wide open. Even with the embargo in place, although somewhat relaxed, Vietnam obtained 7.5 percent economic growth in 1993. Without its biggest single constraint, that economy could well grow by more than 10 percent this year. [passage omitted]

MOUs on Economic Cooperation Signed With Manila*BK0702122194 Kuala Lumpur NEW STRAITS TIMES
in English 4 Feb 94 p 2*

[Text] Manila, Thurs.—Economic cooperation between Malaysia and the Philippines entered more concrete terms today with the signing of nine memorandums of understanding (MOUs) involving the respective private sectors.

While representatives from the various companies worked on the details of the projects involved, officials from the two governments sat down to finalise details of an investment guarantee agreement (IGA), which may be signed in the next few days. Prime Minister Datuk Sri Dr. Mahathir Mohamed and President Fidel Ramos

witnessed the signing ceremonies at the Malacanang Palace, the latter's official residence, here this afternoon.

Dr. Mahathir, who arrived here this afternoon for a four-day visit, the first by a Malaysian prime minister since the two countries established diplomatic ties in 1964, hailed the signing of the agreements as "the start of a new phase in our relations." "I think we have made very good progress," he told a joint news conference after the signings. Asked if more investments from Malaysia could be expected, he replied: "Yes."

The nine MOUs could lead to deals worth billions of ringgit. Apart from injecting much-needed capital into the growing Philippine economy, which rose by 2.3 percent last year compared with one per cent in 1992, the deals are also in line with Malaysia's policy to boost reverse investment. The MOUs, signed behind closed doors, are for a hotel project on Samal Island in Mindanao; partial acquisition of the Associated Bank; highway and mass transit systems construction and the implementation of a RM [Malaysian ringgit] 50-million waterwork project; water treatment for Clark Base; gaming houses; production of refrigerators, the construction of Metro Manila waterworks sewerage system; and a U.S. \$72-million power plant.

The nine MOUs were signed between Johan Holdings Bhd. [Limited]/George Kent and Metropolitan Cebu Water District; Johan Holdings Bhd./George Kent and Bases Conversion Development Authority Berjaya Topgroup (HK) Ltd. and Team Asia Corp Inc.; Berjaya/Wy Sdn. Bhd. [Private Limited] and Fun Characters Inc.; Ekran Bhd. and the Philippine Department of Tourism/Philippine Tourism Authority; Ekran Bhd. and Associated Bank; Renong Bhd./Mara and Public Estates Authority; and Datuk Eugene Campos and Louis Cosan.

The signing of the MOUs reflects the determination of both countries to step up investment and bilateral trade after ties had been held back for so long by the Philippine Government's claim over Sabah. Malaysia's investment in the Philippines has been unpredictable. On an uptrend during the 1980s, investments dipped after 1989 and in 1992, no new capital from Malaysia flowed into the Philippines.

Last year some 193 million pesos (RM16.3 million) in Malaysian investments went into power generation plants, poultry breeding, and electronic manufacturing projects in the republic.

MBf Asia Capital Corp. and MCA Power Corp., together with a third Canadian partner, entered into a deal for a U.S. \$2 billion (RM5.5 billion) power plant irrigation and flood control system. Hong Leong Engineering and Sarte Theodore and Associates clinched a deal on the manufacturing of computer software in the Philippines for export.

Al-Bakara Malaysia also took a slice of the pie in a deal with a group, led by Mindanao's Mastura family to rehabilitate the state-owned Amanah Bank, now privatised.

Commentary Hails Enhanced Ties

BK0502113294 Kuala Lumpur Voice of Malaysia in English 0800 GMT 5 Feb 94

[Station commentary]

[Excerpts] Bilateral trade, economic and business ties between Malaysia and the Philippines are set to grow at a steady pace from now on with the Malaysian prime minister Dr. Mahathir Mohamed's official four-day visit to the Philippines which began on Thursday.

The Malaysian leader's visit can be described as historic in the sense that it is the first official trip by a Malaysian prime minister to the Philippines, since the two countries established diplomatic ties in 1964. It also reciprocates the visit of Philippine President Fidel Ramos to Malaysia last year. [passage omitted]

Dr. Mahathir's entourage includes some cabinet ministers holding key portfolios as well as about 60 corporate leaders and businessmen which demonstrates the seriousness that is being attached to increase economic and business cooperation. This cooperation entered concrete term on the very first day of the visit with the signing of the nine memoranda of understanding or MOUs, involving the private sectors of the two countries.

The MOUs may lead to deals worth billions of ringgit. Apart from injecting much-needed capital into the Philippine economy, the deals are also in line with Malaysia's policy to boost reverse investment. While the MOUs will be signed, officials of the two countries got down to details of an investment guarantee agreement, IGA, which is likely to be signed in the course of the visit. [passage omitted]

Article Views Internal Rift in PBS Party

BK0602105394 Kuala Lumpur UTUSAN MALAYSIA in Malay 19 Jan 94 p 6

[By Kota Kinabalu correspondent Mohamed Nor Samad]

[Text] Sabah politics are getting more and more interesting to watch. One event takes place after another just a chess game. The problem is who ends the game.

The climax of Sabah politics is seen in the verdict passed on Datuk Joseph Pairin Kitingan's corruption case. The court found him guilty of corruption but he was still allowed to run in the state elections and he did not have to quit his post of chief minister. The reason is that he was fined 1,800 ringgit and this saved him from Article 17 (1)(e) of the Sabah state Constitution and Article 48 (e) of the federal Constitution, which would have fined

him 2,000 ringgit or put him in jail for one year. This would have disqualified him from running in the elections.

What is interesting is that not only the Sabah people, but also PBS [Sabah United Party] leaders and members are speculating that Pairin will quit the party chairman post at the end of his trial. Therefore, rumors have it that several PBS senior leaders, including Datuk Ariyah Tengku Ahmad, Datuk Bernard Dompok, and Datuk Joseph Kurup have been mentioned as potential successors of Pairin as PBS leader.

On the day of Pairin's court verdict, a banner saying: "Moyog State Constituency Wants Datuk Bernard as New Sabah Chief Minister" was unfurled on Karamunsing Road. With the sighting of the banner, people had reason to believe that a power struggle within PBS has begun, but this was quickly denied by PBS leaders. Bernard Dompok was assemblyman for the said constituency.

Datuk Clarence Bongkos Malakun, PBS deputy leader, who recently became more outspoken in releasing his frustrations, disclosed that the party, established in 1985, is being split into two factions. As he spoke in his capacity as deputy leader, his remarks definitely should not be taken for granted. Bongkos said one faction was trying to befriend the federal government or the ruling National Front, while the other faction is opposed to it.

What is interesting is Bongkos' assertion that Pairin was actually not the person who masterminded the PBS's decision to leave the National Front in 1990, resulting in the strained relations between PBS and the National Front. Even though Bongkos' remarks may have ulterior motives, what is important is that PBS seems to have an internal rift.

However, both the National Front and UMNO [United Malays National Organization] should not be overconfident about the PBS alleged split because it can serve as a trap to make them lower their guard. If they are negligent and enjoy discussing the PBS internal rift, they may have to wait another five years to recapture Sabah.

If we look at the issue carefully, we can see that the main cause of the rift is that the majority of PBS leaders want to join the National Front. These leaders have realized that without joining the National Front, the PBS will get nowhere. The proof is easily visible. Ruled by the PBS in the past nine years, Sabah is the poorest state with the highest unemployment rate in Malaysia. Other states in peninsular Malaysia as well as Sarawak have made rapid progress in development.

The decision to leave the National Front may be beneficial in the short-term, but the PBS and Sabah people have now begun to realize that this is not true for the long-term. This shows that the decision to leave the National Front just a few days before the general elections in 1990, described by the National Front as a stab in the back, is a very risky political gamble. But now, on

the eve of state elections on 18-19 February, rumors are rife that PBS wants to rejoin the National Front and set up a coalition government after the elections.

Being aware of the danger of such rumors, UMNO leaders quickly dismissed them. UMNO leaders, including Tan Sri Mohamed Taib and Tan Sri Muhyiddin Yassin as well as Tan Sri Abdul Rahim expressed doubts as to how the PBS can possibly join the National Front when the party has not yet submitted a formal application for such a purpose. Muhyiddin described the rumors as a dirty tactic launched by the PBS to gain sympathy votes. At the same time, Sabah UMNO expressed confidence that it will be able to set up its own state government without having to set up a coalition government with the PBS.

Political observers noted that when the PBS is cornered, the party will do anything possible to maintain power in the state.

The Chinese community in Sabah is also believed to have realized that under the PBS, they have been put into a disadvantageous position. They said they will follow the winds of change and vote for the National Front, whose leadership style is already proven. There are also talks that Chinese leaders in the PBS are being discriminated against. The fruits of development carried out by the PBS have benefitted one ethnic group only. An undeniable fact is that Sabah has now lagged behind other states in development.

To cope with the increasingly exciting Sabah political situation, Sabah UMNO must be united and act in a coordinated way. To play political chess against the PBS, one must be skillful and capable of anticipating its next move.

There are times when the PBS looks as if it is losing, but at the critical moment it shows its real strategy and strength and eventually wins the battle. This has happened three times in elections since the PBS has ruled Sabah, namely on 21 April 1985, 6-7 May 1986, and 16-17 July 1990. Therefore, the National Front and Sabah UMNO must be doubly careful and must not allow the PBS to exploit any election issue. The most important mission is that they must hoist the National Front flag on top of Kinabalu Mountain.

The National Front must seek ways to win the hearts of the Sabah people and explain the government policies to them so they will not fall victim to PBS propaganda.

Everyone knows that the Sabah people themselves will determine what kind of government they want to elect, but those who live in remote and isolated areas must at least get adequate information to enable them to decide what is most beneficial for them. This is the heavy task the National Front currently has to face.

Amidst the uncertain and confused political scenario, the National Front must pay attention to the following issues:

A. If the PBS is indeed accepted into the National Front on the eve of state elections, will the Sabah UMNO accept the fact? Political observers predict that prominent PBS leaders may not run in the elections so that the PBS will be allowed to join the National Front again.

B. Is the PBS going to exploit the issue of Tun Datuk Mustapha Harun, the Sabah Father of Independence, in case he decides to run in the elections, or is the PBS going to nominate his sons against him if he decides to run?

C. Are the National Front and UMNO ready to cope with the Sabah tradition of party members changing their political loyalty?

D. If Datuk Dr. Jeffrey Kitingan, currently under restricted detention in Seremban, Negeri Sembilan, is allowed to run in the elections, are the National Front and UMNO ready for it?

Sabah Party Admitted Into National Front

BK0402074894 Kuala Lumpur Voice of Malaysia in English 0600 GMT 4 Feb 94

[Text] The newly formed Sabah Progressive Party, SAPP, was today admitted into the Barisan Nasional [BN], or National Front, paving the way for the party to contest the Sabah state election on 18 and 19 February under the BN banner. Deputy Prime Minister Datuk Sri Anwar Ibrahim, who made the announcement at a news conference in Kota Kinabalu, said the SAPP is now a member of the BN and will contest the state polls on a BN ticket. SAPP President Datuk Yong Teck Lee was present at the news conference, held to announce the list of BN candidates for the election. SAPP, a breakaway group of the ruling Parti Bersatu Sabah [Sabah United Party], PBS, was formed by Datuk Yong on 20 January after he resigned as PBS deputy president and Sabah deputy chief minister.

Opposition Leader Sues Over Spy Bribery Report

BK0602073194 Kuala Lumpur BERNAMA in English 0827 GMT 5 Feb 94

[Text] Kuala Lumpur, Feb 5 (BERNAMA)—Democratic Action Party secretary-general and opposition leader Lim Kit Siang Saturday sued the editor of the Chinese paper SHIN MIN DAILY NEWS and two others for damages for libel pertaining to a report in the newspaper linking him with the Australian Secret Intelligence Service (ASIS) bribery allegation.

Besides the newspaper, Lim named its proprietor and publisher Shin Min publishing and printer the NEW STRAITS TIMES Press as the other two defendants in the suit filed at the high court registry here [sentence as received].

In his statement of claim, Lim said the report, headlined Kit Siang Quibbled When He Called on Malaysia and Australia to Investigate, says MCA [Malaysian Chinese Association] Youth, which appeared on Jan 28, was

falsely and maliciously printed and published. He said the false and malicious allegations had adversely affected his standing as an opposition leader and as a public figure.

Besides asking for damages, Lim is also seeking an injunction to restrain the defendants or their servants from further printing the words concerned or similar words complained of, costs and other relief.

Tuanku Ja'afar Elected as New Paramount Ruler

BK0402143494 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 4 Feb 94

[Text] The Malay rulers who have held a special meeting in Kuala Lumpur today elected the Yang Di-Pertuan Besar Negri Sembilan [state ruler], Tuanku Ja'afar Ibni Al-Marhum Tuanku Abdul Rahman, as the new Yang di-Pertuan Agung [Paramount Ruler].

The election was announced by Deputy Prime Minister Datuk Sri Anwar Ibrahim in a statement issued by the Prime Minister's Department this evening.

Tuanku Ja'afar, who is the Deputy Yang DiPertuan Agung, will succeed the present king, Sultan Azlan Shah, the sultan [state ruler] of Perak. The statement said Tuanku Ja'afar's five-year term as king will take effect from April 26.

The Conference of Rulers also elected Selangor's Sultan Tunku Salahuddin Abdul Aziz Shah Ibni Al-Marhum Sultan Hisammuddin Alam Shah as the Deputy Yang Di-Pertuan Agung for a similar term. Tuanku Ja'afar, son of the first Yang DiPertuan Agung, is the only ruler in office, who began his career as a diplomat. Born in July 1922 in Kelang, Selangor, Tuanku Ja'afar began his diplomatic career in 1957 as the Malaysian Charge d'affaires in Washington.

Singapore

Trade Agency Views Lifting of Vietnam Embargo

BK0402144694 Singapore Singapore Broadcasting Corporation in English 1400 GMT 4 Feb 94

[Text] Singapore's companies can definitely benefit from the lifting of the trade embargo against Vietnam. The Singapore Federation of Chambers and Industries said much business would be channeled into Vietnam through Singapore. It advised local companies to start identifying the main American based in Vietnam and associate themselves with these companies [sentence as heard].

Cambodia

Competing Claims Over Anlung Veng Continue

KR Reject Government Claims

BK0702101694 (*Clandestine*) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 6 Feb 94

["Rejection by the National Army of Democratic Kampuchea [Khmer Rouge] Spokesman;" 6 February; place not given—read by announcer]

[Text] I. Prince Krompreah Norodom Ranariddh and Puppet Hun Sen of the two-headed government on 5 February [words indistinct] stated that the troops of the Vietnamese communist puppets and two-headed government have already captured Anlung Veng [Siem Reap Province]. This statement is designed to conceal the serious defeats suffered by the Vietnamese communist puppets, the Vietnamese communists, the alliance, and the two-headed government.

II. It is worth recalling that the provisional two-headed government formed in January 1993 was set up by the Vietnamese communists and the alliance to further the Vietnamese war of aggression against the National Army of Democratic Kampuchea [NADK] and other national resistance forces. In fact, the government belongs to the Vietnamese communists, the United States, and the alliance. People are all aware that the Para troops [Khmer People's National Liberation Front] were jointly created by the United States and the alliance in the time of In Tam [former prime minister under Lon Nol regime] in 1975. The United States and the alliance supplied money, material, uniforms, food, camps, and training schools to the troops, which are their (?important) forces. So when it saw the forces of the Vietnamese communists, the United States, and the alliance combining, the two-headed government also merged the two armies [National Army of Independent Cambodia and Cambodian People's Armed Forces] politically and militarily. This is why the government has only raised its three-point policy demanding that the NADK be dissolved, that Democratic Kampuchea's liberated zones be surrendered to the government, and that the Party of Democratic Kampuchea [PDK] lay down arms and stop fighting in a war that continues to be inflamed by the Vietnamese communists and the two-headed government.

III. Political, military, and diplomatic events during the implementation of the Paris accord, during the protectorate of UNTAC [UN Transitional Authority in Cambodia], and during the tenure of the two-headed government [words indistinct] have clearly shown that the old and new enemies of our nation and people continue to maintain their strategy of doing away with our nation and people. However, historic, political, military, diplomatic, and all other events in the past two years and at present are clear evidence that the nation's enemies can

never destroy our national forces and people, who have struggled for years to defend the nation, people, and (?race).

IV. In particular, the offensives launched during this 16th dry season by (?the two-headed government), the Vietnamese communists, the United States, and the alliance in the areas of (?Phnum Chhat), Stoung-Kompong Thom, Malai, south Sisophon, (?Pailin), Moung-Pursat, Kompong Chhnang, (?Kompong Thom), Kampot, Koh Kong, Kompong Cham, [words indistinct], Preah Vihear, (?Route 12), Route 68, and so on have been defeated one after another. The invading troops and [words indistinct] have been opposed and counterattacked by the national resistance forces in the political, military, economic, and communications fields everywhere.

V. Moreover, major offensives were launched by the two-headed government with the aim of (?capturing) the Anlung Veng area, but they were severely defeated for the first time in early (?October) 1993, the second time at the end of January 1994, and the third time on 4 and 5 February 1994. In Phnom Penh, 99 percent of the two-headed government belongs to the Vietnamese communists, while in the provinces it is 100 percent. The government also belongs to the United States and the alliance 100 percent.

VI. The Vietnamese communist puppet and Prince Krompreah Norodom Ranariddh of the two-heads-three-eyes government on 5 February agonizingly proclaimed their alleged victory at Anlung Veng. But people (?say):

A. The fact that Puppet Hun Sen spoke [words indistinct] about its success is because the puppets have actually suffered a great defeat on the battlefield. They have not captured even one inch captured of Anlung Veng. Most of their forces have been destroyed in the fighting by malaria and typhoid due to the lack of medicine, by starvation, and by the summary executions of puppet leaders including Long Sopheap, Prum Samen, and Keo Prasit. Their troops do not dare to go and fight and groups of hundreds of puppet and para soldiers have fled the battlefields. The 1, 2, 3, and 4 February 1994 statements of Vietnamese communist puppets and two-headed government are also not consistent. Puppet Hun Sen stated that Anlung Veng had already been captured, while other puppets such as Tie Banh, Toan Chay, and other officials of the two-headed government said they were only moving in the direction of Anlung Veng, but had not yet reached the area.

B. Some foreign reporters and radios broadcast the two-headed government's (?exaggerated) report about Anlung Veng, while others, citing various views, said Phnom Penh troops have not reached the area yet. All this shows that the two-heads-three-eyed government is in great fear and confusion because it and its masters have been utterly defeated in their major campaigns against Anlung Veng.

The people are asking why the two-headed government acts like that. Because it wants to takeover and use Anlung Veng as its supply line to force Democratic Kampuchea to accept its three conditions—accepting the three conditions means that Democratic Kampuchea will be destroyed. However, the turning point the two-headed government wanted to attain has been reversed; that is, it has been defeated completely on the battlefield [words indistinct].

VII. The entire Cambodian nation and people are pleased to see the defeat of the Vietnamese communist puppets and the two-headed government on the Anlung Veng Battlefield. The NADK, the people, and Democratic Kampuchea have attacked and routed the strategies, tactics, and ambition of the Vietnamese communists and the alliance and their proteges who are opposed to the king's five points for national reconciliation. The people and the masses, especially those in Phnom Penh, are delighted to witness the defeat of the two-headed government, and the success of Democratic Kampuchea with this victory will allow the nation, people, and all patriotic forces to promote King Norodom Sihanouk's five-point national reconciliation plan [words indistinct].

[Dated] 6 February 1994

[Signed] NADK spokesman

Radio Urges Mutiny

BK0602121994 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 5 Feb 94

["Appeal to the fraternal soldiers of the two-headed government on the battlefields around Anlung Veng"—read by announcer]

[Excerpts] Dear fraternal soldiers of the two-headed government:

1. Did you know that on 5 February, Long Sopheap ordered his henchmen to kill 23 soldiers who refused to enter the battlefields around Anlung Veng. [passage omitted]
2. This barbarous killing shows that the Vietnamese communists, their allies, and Vietnamese communist puppets are very fascist and have always been fascist towards the people, their troops, and the Para soldiers.
3. For this reason, for your own survival and in order to protect your parents, you should turn your guns at and shoot Long Sopheap and his henchmen.

You know well that Long Sopheap is not a Cambodian. He is a Vietnamese. He has forcibly recruited many people's sons to fight and die in his place. Moreover, Long Sopheap is very fascist and cruel. He shot dead several hundred of the soldiers of the two-headed government on the battlefields. [passage omitted]

Government Losses Claimed

BK0602111894 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 5 Feb 94

[Excerpt] This is a report on the National Army of Democratic Kampuchea [NADK] and the people routing the second military operation launched by troops of the Vietnamese communist puppets and two-headed government at Anlung Veng.

1. At the end of January, the Vietnamese communist puppets and two-headed government which oppose national reconciliation and the five-point advice of His Majesty King Norodom Sihanouk mobilized a large number of troops, tanks, armored personnel carriers, and war materiel to launch an offensive in the direction of Anlung Veng. But the NADK and Cambodian people routed this large-scale military operation on 31 January.

As a result, the NADK and people killed or wounded over 100 troops of the Vietnamese communist puppets and two-headed government, captured seven tanks, and destroyed 36 military trucks and armored personnel carriers.

2. The party of Democratic Kampuchea [PDK] as well as the Cambodian nation and people have drawn many experiences in dealing with enemies, old or new. That is, whether they are old or new enemies, they will always make another attempt after suffering a defeat.

As a matter of fact, on 3 and 4 February, the Vietnamese communist puppets and two-headed government mobilized another batch of 3,000 troops consisting mostly of routed troops from the 286th Division, 4th Military Zone, Kompong Thom Provincial unit; 5th Division; 41st and 43d Independent Regiments of the Vietnamese communist puppets; and Para forces, including those from ANKI [National Army of Independent Cambodia] and other Para groups from the 11th, 9th, and 3d Divisions and from the new 7th and 8th Divisions. All these infantrymen were escorted by many military trucks, tanks, armored personnel carriers, artillery, and multiple rocket launchers.

This second large-scale military operation launched under the direct command of Ke Kimyan, Pol Saroeun, Long Sopheap, Prum Samen, and Keo Pisit, who are star-spangled Army chiefs, and a number of other generals with second-hand stars was aimed at pushing into Anlung Veng once again. These high-ranking officers directly commanded the offensive because the two-headed government's troops from both the Vietnamese communist puppets' group and American-supported forces were ordered by the Vietnamese communists and their allies and the two-headed government that they must overtake Anlung Veng.

Their slogan is to mobilize tanks, artillery, and troops to launch a blitz and then take pictures of Anlung Veng for use in their propaganda in the international arena. They

told their troops to attack and withdraw at once and open the way (?to move backward).

3. On 3 and 4 February, the attacking forces of the Vietnamese communist puppets and two-headed government began their second offensive on Anlung Veng.

The NADK and Cambodian people prepared to welcome the criminal aggressors in advance. As soon as they arrived, the NADK and people immediately attacked and smashed them for the second time.

As a result of the attack and routing of this second military offensive, the NADK and Cambodian people destroyed four tanks and a multiple rocket launcher, killing or wounding over 300 troops of the Vietnamese communist puppets and two-headed government, and totally smashing the command headquarters of Prum Samen, Long Sopheap, and Keo Pisit. Moreover, the hundreds of Vietnamese communist puppet, ANKI, and other Para soldiers who have continued deserting the battlefield in groups for fear of the combat, malaria, and especially being unable to endure the shortage of food, water, and medicine and their daily exposure to the sun and the dew have fled in the direction of Route 68 and Siem Reap Province. Most of those deserters were very weary and could hardly walk. Some others dropped dead as soon as they reached Route 68 and Siem Reap. [passage omitted]

Prime Ministers Urge Defections

BK0602073494 Phnom Penh National Radio of Cambodia Network in Cambodian 1200 GMT 5 Feb 94

["Appeal by the Royal Government of Cambodia" issued in Phnom Penh on (75) February]

[Text] We, Prince Krompreah Norodom Ranariddh and Samdech Hun Sen—respectively first and second prime ministers of the Kingdom of Cambodia—wish to state that a valuable time has arrived for all of you, the officers and rank and file of the Democratic Kampuchea [DK] faction. As you are already aware, the Khmer Royal Armed Forces [KRAF] have vigorously attacked and utterly destroyed important DK positions in the Anlung Veng, Siem Reap-Oddar Meanchey, Preah Vihear, Kompong Thom, and Banteay Meanchey regions, and have completely seized the command posts, hospitals, war materiel, and [word indistinct]. In addition, a number of DK officers and rank and file have deserted their ranks and either rallied to the Khmer Royal Armed Forces or returned to the national community, bringing along a significant quantity of documents, armaments, ammunition, and mines.

In view of this, the Royal Government of Cambodia wishes once again to appeal to all DK officers and soldiers—especially those in the Anlung Veng and Preah Vihear regions and in the northwest—to return quickly to the national community as good Cambodian citizens. You are urged to contact any KRAF unit or the royal

administration. You will be enthusiastically welcomed by units and officials at all levels.

[Dated] Phnom Penh, (75) February 1994

[Signed] First Prime Minister Prince Krompreah Norodom Ranariddh; Second Prime Minister Samdech Hun Sen

Prime Ministers Commend KRAF

BK0502144194 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 5 Feb 94

[Text] Our National Radio has just received a message of commendation from Prince Krompreah Norodom Ranariddh and Samdech Hun Sen, respectively first and second prime ministers of the Royal Government of Cambodia [RGC] and co-commanders in chief of the Khmer Royal Armed Forces, to all KRAF units and civil servants who are currently pursuing the task of defending the people in the Siem Reap-Oddar Meanchey region. The full text of the message is as follows:

With reference to the recent brilliant victories, especially the recent capture of the Anlung Veng position—which has cut off the key center for the disturbances, harassment, and insecurity caused by the Khmer Rouge, and which has again made the Siem Reap-Oddar Meanchey region stable and safe for the people to earn a living—achieved by all of you, who are the KRAF's officers and troops, militiamen, policemen, and civil servants at all levels, and who are currently actively carrying out the task of defending the innocent people in the region of Siem Reap-Oddar Meanchey;

On behalf of the RGC and the KRAF co-command, we wish to most sincerely and warmly commend all of you for your heroism, which constitutes a fine model for the cause of defending the motherland and national security for the Cambodian children of future generations. We also wish to pay tribute to the souls of those who have courageously fallen on the battlefield. In addition, we wish to express our deepest condolences to the families of those who have died for this sublime cause. The great sacrifices made by those officers and the rank and file will be engraved in the golden pages of the national history.

We would also like to wish all of you who are receiving treatment in hospitals a speedy recovery so you can return quickly to your families and units.

May you enjoy the five blessings of Lord Buddha, namely, longevity, social prestige, happiness, strength, and enlightenment.

[Dated] Phnom Penh, 5 February 1994

[Signed] General Prince Krompreah Norodom Ranariddh; General Samdech Hun Sen

Hun Sen on FUNCINPEC-CPP Cooperation

*BK0702133194 Phnom Penh AKP in English 0956
GMT 7 Feb 94*

[Text] Phnom Penh AKP February 7—Second Prime Minister Hun Sen said that there was no way to separate the cooperation between FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and CPP [Cambodian People's Party].

Hun Sen who met here on February 4 with Yosio Sakurachi, member of the Japanese diet, said the two main parties, FUNCINPEC and CPP, would actively contribute to bringing peace and reconstructing of Cambodia.

With regard to national reconstruction and development, Hun Sen said there were four priorities—agriculture, irrigation networks, communications, and professional training—which need Japan's cooperation.

He also told the Japanese delegation that next month's visit of a delegation of the Royal Government of Cambodia to Japan would contribute of strengthening the ties of friendship between the two countries.

On investment, Hun Sen said the Khmer Rouge were not obstacles to investment in the country, adding that laws on investment have been worked out so as to facilitate foreign investors to invest in the Kingdom of Cambodia.

Sihanouk Bestows New Title on Three Princes

*BK0502144594 Phnom Penh AKP in French 0400 GMT
5 Feb 94*

[Text] Phnom Penh 5 Feb (AKP)—His Majesty Norodom Sihanouk, king of Cambodia, has elevated the status of His Royal Highness [HRH] Prince Norodom Chakrapong, HRH Prince Norodom Sihamoni, and HRH Prince Norodom Sirivut to the rank of Prince Kromkhun.

His Majesty has also elevated Viscount Sisowath Panara Sirivut to the rank of count.

This decision is seen in a royal palace decree dated 1 February.

Hun Sen Receives Singapore Envoy, Views Investment

*BK0402151094 Phnom Penh National Radio of
Cambodia Network in Cambodian 1300 GMT 4 Feb 94*

[Text] On the afternoon of 3 February at the cabinet office, His Excellency [H.E.] Samdech Hun Sen, second prime minister of the Royal Government of Cambodia [RGC], granted an audience to H.E. Chin Siat Yoon, ambassador of Singapore to the Kingdom of Cambodia. H.E. Samdech Hun Sen spoke about the RGC's efforts to

adjust the investment law and ensure security to facilitate investment. He also invited H.E. Lee Kuan Yew to visit the Kingdom of Cambodia.

H.E. Chin Siat Yoon said that Singapore has studied two projects on the renovation of Pochentong Airport and Sihanoukville Port. Singapore will soon send a group of experts and delegates to discuss the possibilities of additional investment in the Kingdom of Cambodia.

Chea Sim Receives Thai Parliamentary Delegation

*BK0702075294 Phnom Penh National Radio of
Cambodia Network in Cambodian 0400 GMT 7 Feb 94*

[Text] At 0900 on 7 February, His Excellency [H.E.] Samdech Chea Sim, acting head of state and chairman of the National Assembly of the Kingdom of Cambodia, granted an audience to a visiting Thai National Assembly delegation headed by H.E. Marut Bunnak, chairman of the Thai National Assembly. The talks focused on relations between the parliaments, governments, and peoples of the two neighboring nations. H.E. Samdech Chea Sim said: We are proud of the joint declaration made by the two governments on 13 January, which reflects their stance in promoting good bilateral cooperation. He clearly stressed that the Thai delegation's visit to Cambodia once again shows the bonds of friendship and cooperation between the two countries' legislative institutions.

H.E. Marut Bunnak said he wants to see the National Assembly of the Kingdom of Cambodia establish relations with the Asian Parliamentary Organization either as an observer or a member so that it can cooperate with the parliamentary institutions of countries in this region.

SRV Consulate Established in Battambang Province

*BK0502143794 Phnom Penh AKP in French 0405 GMT
5 Feb 94*

[Text] Phnom Penh 5 Feb (AKP)—The SRV has recently set up a consulate in Battambang Province, 300 km north of Phnom Penh.

The Vietnamese consul general posted in the province will carry out his mission in the three northwestern provinces, namely Battambang, Siem Reap-Oddar Meanchey, and Pursat.

Consul General Dinh Tat Thang on 2 February presented his credentials to Mr. Uch Kim-an, state secretary for foreign affairs and international cooperation. The latter pledged to create many favorable conditions for the Vietnamese diplomatic mission.

Also present at the meeting was Mr. Tran Huy Chuong, ambassador extraordinary and plenipotentiary of Vietnam to Cambodia.

French TV Equipment Given as 'Token of Cooperation'*BK0702130194 Phnom Penh AKP in English 1002 GMT 7 Feb 94*

[Text] Phnom Penh AKP February 7—France has provided TV technical equipment worth 2.5 million francs to Cambodia.

It was the first time that France provided such equipment to Cambodia since the formation of the royal government of Cambodia. The gift was handed over in Phnom Penh last Friday, 4 February, by Parcsel Charlat, French charge d'affaires a.i to Cambodia, to Ieng Muli, minister of information. On that occasion, Minister Ieng Muli expressed thanks to the government of France for its assistance to Cambodia for the development of mass media in the country.

Parcsel Charlat said in his reply that the gift was the contribution to the development of TV broadcasting in Cambodia and a token of cooperation between the two countries.

Khmer Rouge Condemn French Military Aid*BK0702072894 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 6 Feb 94*

[Text] France has reportedly provided the Vietnamese communist puppets' troops and the two-headed government with 30 military trucks and a quantity of war materiel. National and international opinion maintains that the military aid given by France in this current situation means that the country continues openly to inflame the Vietnamese communist aggressors' war. The Cambodian nation and people vehemently oppose and resolutely condemn the French Government for its conspiracy with the Vietnamese communist aggressors, the Vietnamese communist puppets, and the unscrupulous alliance to further do away with the Cambodian nation, people, and race.

People, NADK Attack Troops on Route 5*BK0502121594 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 4 Feb 94*

[Text] Here is a report on the attacks launched by the people and the National Army of Democratic Kampuchea [NADK] against the invading troops of the Vietnamese communist puppets along Route 5 between O Cheat and Thmar Koul [Battambang Province].

1. The Vietnamese communist puppets on 30 January deployed more than 300 troops along Route 5 in an attempt to attack the people and NADK. However, the people and NADK, on the same day, jointly attacked and routed the enemy forces, forcing them to retreat hastily behind their lines. We killed more than 10

invading soldiers and wounded others, and we seized two military vehicles and some war materiel.

2. The people and NADK on 28 January jointly attacked and dispersed 300 invading troops of the Vietnamese communist puppets at M'kak village in (Kompong Peang) commune. We killed seven enemy soldiers on the spot and wounded more than 10 others.

Indonesia**Government Welcomes End to Vietnam Embargo***BK0502085594 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 5 Feb 94*

[Text] Indonesia welcomes the decision by the U.S. Government to lift its trade embargo on Vietnam. A Foreign Ministry press statement stated that, even though the embargo is a bilateral problem of the two countries, the United States Government's lifting of the embargo was heartening because this would stimulate trade and economic activities among the various nations. Indonesia attaches great importance to efforts aimed at further enhancing regional political stability, security, and cooperation. As a result, any effort made to develop normal relations with any nation in this region represents a positive approach which will assist toward achieving such an aim.

Laos**Government Hails U.S. End to Vietnam Embargo***BK0502131194 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 5 Feb 94*

["Statement" issued by spokesman of the Foreign Affairs Ministry—date not given; read by announcer]

[Text] In late January, the Senate of the United States discussed the issue of the lifting of the trade embargo against Vietnam. Following the discussion, the Senate overwhelmingly voted in favor of the lifting of the trade embargo. Later, on 3 February 1994, President Bill Clinton officially announced his decision to lift the U.S. trade embargo against Vietnam.

The Lao People's Democratic Republic [LPDR], as a neighboring country which has shared the same difficult destiny as Vietnam, is delighted with this pleasant news and would like to sincerely welcome President Bill Clinton's decision. The government and people of Laos are of the view that this decision conforms to the regional trend and the current global situation, and meets the aspirations of the Vietnamese and the American peoples as well as the peoples of the entire Southeast Asian region.

Though the lifting of the trade embargo marks a significant step toward trade cooperation and exchanges of visits between Vietnam and the United States, the step

which is widely acclaimed by peace- and justice-loving people in the world—the normalization of relations between the two countries—still remains to be taken. In view of this, the LPDR Government hopes that the lifting of the trade embargo will serve as a significant development toward enabling the relations between the two countries to advance toward normalization at an early date.

Central Committee Greet SRV Party Anniversary

BK0302082694 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 3 Feb 94

[Text] On 1 February, the Central Committee of the Lao People's Revolutionary Party [LPRP] sent a telegram of congratulations to the Central Committee of the Communist Party of Vietnam [CPV] in Hanoi. The message reads:

On the occasion of the 64th anniversary of the establishment of the Communist Party of Vietnam, the LPRP Central Committee, on behalf of party members and multiethnic Lao people, would like to extend warmest greetings and best wishes to the CPV Central Committee, party members, and all fraternal Vietnamese people.

Since the inception of the CPV, which was founded, trained, and molded by the great Chairman Ho Chi Minh, the party has led the Vietnamese people to courageously carry out struggles and create excellent heroic deeds of great historical significance to conquer imperialist aggressors. As a result, it absolutely liberated the nation and led the whole country to advance on the socialist path. In the recent years, under the correct leadership of the CPV, the Vietnamese people have significantly enhanced the traditions of extreme patriotism and endeavors and initiatives to successfully and firmly protect the fruits of revolution. Besides, they have also attained very important basic achievements in the cause of comprehensive renovation. This has helped the national economy to enjoy the new firm steps of development. The living conditions, both in material and cultural aspects, of the people have noticeably been improved. The role and prestige of the Socialist Republic of Vietnam has been endlessly elevated in the international arena.

The LPDR and Lao people are very pleased with and would like to wholeheartedly congratulate on such great achievements of the CPV and fraternal Vietnamese people. Your glorious successes have vigorously boosted the morale of the Lao people who have also carried out the restructuring tasks too.

We would like to take this auspicious opportunity to wish the fraternal Vietnamese people under the leadership of the CPV, which is headed by respected and beloved Comrade General Secretary Do Muoi, to attain new and greater achievements in implementing the resolutions of the seventh party congress and the guidelines set by the party's recent meeting of representatives from

all parts of the country. We wish you all continue to fulfill tasks of all-around renovation and advance firmly to steadily bring to the SRV progress and prosperity.

We are delighted to see that our two parties, which are of the same origin, have assisted each other sincerely and steadily over the past years. On this honorable and glorious occasion of the founding anniversary of the CPV, the LPRP Central Committee, on behalf of the entire party and Lao people, would like to express profound gratitude to the CPV and fraternal Vietnamese people for having always rendered invaluable support and assistance to the revolutionary tasks of Lao people.

May the great spirit of friendship, special solidarity, and all-around cooperation between the two parties, countries, and peoples of Laos and Vietnam last and flourish forever.

Philippines

Ramos, Malaysia's Mahathir on Trade, Security

BK0702110494 Quezon City Radio Filipinas in English 0230 GMT 4 Feb 94

[Joint news conference by President Fidel Ramos and Malaysian Prime Minister Mahathir bin Mohamed with Filipino and Malaysian correspondents at Malacanang Palace in Manila on 3 February—recorded]

[Excerpts] [Ramos] Your excellency, Prime Minister Datuk Sri Dr. Mahathir, ladies and gentlemen of the media, our coworkers in government.

I am delighted to welcome Your Excellency Datuk Sri Dr. Mahathir Mohamed, the prime minister of Malaysia, and his delegation to the Philippines. I welcome you as the leader of an Asian partner and neighbor, the first Malaysian head of government to make an official visit to our country since the foundation of Malaysia. [passage omitted]

In the year since my journey to Kuala Lumpur, many visits have been exchanged by others from our two countries. In some cases, the Malaysian businessmen's search for trade and investment opportunities has already born fruit for both sides in the form of substantial investments made in the Philippines, including a major tourist facility in Subic.

A few minutes ago, we witnessed the signing of various joint venture agreements, including agreements in the critical areas of water supply, banking, and tourism.

We are indeed gratified by the presence of the prime minister's delegation of more than 80 top Malaysian businessmen.

Malaysia Airlines has begun flying between Kota Kinabalu and Cebu. Philippine Airlines has opened a regular flight between Zamboanga City and Labuan.

Meanwhile, our officials are making satisfactory progress in their work on a bilateral investment guarantee agreement. The joint commission which Prime Minister Mahathir and I agreed to establish held its first meeting in Manila last December with results covering an extensive range of areas of cooperation that are of great importance for both countries. [passage omitted]

In our talks this afternoon, Prime Minister Mahathir and I reiterated our commitment to the establishment of East ASEAN Growth Area or EAGA among Mindanao, East Malaysia, Eastern Indonesia, and Brunei Darussalam. The EAGA will tie together those regions that are contiguous to one another through direct transportation and communication links, the sharing of facilities, the joint marshalling of complimentary resources, the [words indistinct] for goods, services, and persons, and networks of officials, institutions, and a wide variety of sectors.

We agreed on the early convening of the joint committee on border cooperation to greatly facilitate as well more effectively regulate the movement of goods and people across our border.

We discussed the situation of the Filipino migrants in Sabah and of the Filipino workers in peninsular Malaysia.

Prime Minister Mahathir reiterated his invitation to the Philippines to send trade and investment missions to Malaysia [words indistinct] and provide information on Philippine products and investment opportunities to Malaysia's business community. He stressed Malaysia's particular interest in joint ventures, including infrastructure development, joint air services, and the privatization of government enterprises.

We agreed to deepen our cooperation in the judicious development of our aquatic and forest resources and help each other in the research of technology needed in these areas of complimentary expertise.

We are determined to cooperate in carrying out the intent of spirit of the 1992 Manila Declaration of the South China Sea both bilaterally and with our other neighbors, particularly in the peaceful solution of the dispute over the area and enjoy scientific and economic endeavors there.

We renewed our commitment to the realization of the ASEAN Free Trade Area or AFTA, and the early launching of the East Asian Economic Caucus or EAEC, a concept that arose from Dr. Mahathir's statesmanly vision, a proposal which we fully support. [passage omitted]

[Moderator] His Excellency Dr. Mohamed Mahathir [Mahathir Mohamed], prime minister of Malaysia. We invite you to speak.

[Mahathir] [passage omitted] As is known, we have certain problems and as a result of these problems, there have not been many official visits on the part of either

Malaysian or Philippine high officials and members of the governments to each other's country. I really feel that this kind of relationship has gone on long enough and that we should look into ways and means of cooperating while we try to resolve the problems that we have between ourselves.

And that is, Malaysia assures that we should renew cordial relations with the Philippines, and we should make visits to each other's country, as well as discuss the issues with a view of cooperating with each other.

During the visit of President Ramos last year, we reached a number of agreements on the approach and method of cooperating between the two countries. As a result, there has been many tangible results, in that, there have been a number of joint ventures and investments on the part of Malaysians in the Philippines. And we hope that trade between Philippines and Malaysia has picked up, although of course, we are in similar environment. As you see, the Philippines has purchased oil from Malaysia.

We hope that we can reduce this imbalance by promoting more Philippine goods in Malaysia, and this can be done through a division in the promotion in Malaysia of Philippine-made manufactured products. At the same time, we feel that we can tackle in developing the growth area involving not just the Philippines and Malaysia, but also Brunei and Indonesia—all of which are permanent members of ASEAN.

I will widely work on this idea in the four countries. We feel that we should work on and cooperate on bilateral relations first. And this cooperation should be in the area of communications, tourism, etcetera, and fishery.

There are very many potentials in these areas. This will lead us to an invariable need to get to feel and witness the changes that have taken place mainly, particularly, under the presidency of President Ramos. And using the atmosphere that is just right for greater economic cooperation and cooperation in other fields between Malaysia and the Philippines.

We have begun ministerial level meetings between the two countries and we need to meet more often, and that includes of course the president of the Philippines and the prime minister of Malaysia. And on every opportunity that we have, whether in our country or at international gatherings, we should make it a point to see each other and to renew our personal relations and friendship. Also, we will discuss bilateral issues. I think we have made very good progress towards normalizing relations between the two countries, and I hope that in the proper time, we will be able to resolve whatever problems that there may be between Malaysia and the Philippines. So, that is all that I have to say, and I shall be prepared to answer any questions that you may ask. Thank you very much.

[Moderator] Before asking the question, will you kindly state your name and your agency.

[Ely Tordesillas of MALAYA] I'd like to address this question to His Excellency the prime minister of Malaysia. A few months ago, the APEC [Asia-Pacific Economic Cooperation] meeting held in Seattle witnessed the gathering of twelve leaders. Was your reason for shying away from the Blake Island meeting relevant and valid up to this day? What were your reservations about the direction APEC is taking?

[Mahathir] Well, right from the beginning, we felt that APEC should not be a formal organization. It should be a forum for its 15-member countries to exchange ideas and to formulate programs, particularly programs which can be helpful to those members, that are developing countries. Of course, this has been done but we think that more should be done. However, the trend now is that it is a much more formal organization complete with secretaries and meetings of heads of government. We are not yet convinced that this is what we should be doing. And secondly, we, in Malaysia feel that APEC should not be used in any way to balance the (political) problems here between America and Europe. We are not amenable for that kind of view. We would like ourselves be caught free from any political problems that may be formulated by APEC. And it is because of this that we have not been (?imbued) to the ideas that formalizing and having regular meetings of heads of government of APEC. [passage omitted]

[Ahmad from (words indistinct) of Malaysia] I would like to address this question to President Ramos. What kind of incentives would the Philippines be giving to Malaysian investors in the future especially in the promotion of the EAGA. Thank you.

[Ramos] We have two kinds of investment (?categories) generally. And these are, first, we have export processing zones, and there are many incentives of Transfer EPZA [Export Processing Zone Authority], as we call it. Still of the same kind, the special economic zones and free ports of which the latest versions are those in Subic, and in Clark. Special economic zones are within a free port, and therefore, generally, the goods that enter into that free port area for processing and then later (word indistinct) coming duty-free, it did not normally go back into the local economy. We have also completely liberalized the various transactions involving foreign exchange which is good for the whole country, but this is another advantage here in the Philippines for investors. In the other kind which is outside these special zones and free ports, we do allow the possession of real estate that is within a developed or investment area for as long as 75 years. There are certain tax incentives and tax advantages and tax holidays given to our investors that invest in these areas that are outside our processing zones and the special economic areas. [passage omitted]

[Teddy Abanot of PTV 4] I would like to ask the president and the prime minister regarding their view of regional security in the ASEAN prompting the resolution of the Spratly issue at this time.

[Ramos] On the part of the Philippines, our policy within ASEAN as well as with our neighbors in the Asia-Pacific has always been one of cooperation. In this area we are not siding with any particular country in a formal defense or military pact except for the existing 1951 Mutual Defense Treaty with the United States. This is one of three military treaties with the United States, two of which we have already phased out. Our new policy on the part of the Philippines is that we must enhance our cooperation in the defense field by way of high level exchanges among our officials and officers in the defense department of the Armed Forces of the Philippines.

We cooperate also very comprehensively in regard to the training and schooling of our officers at various levels and we exchange information of mutual benefit among the countries in this region on a regional as well as a bilateral basis. We feel, however, on the part of the Philippines, that more than military alliances, the security, and therefore the stability of our part of the world will come more from economic interdependence, from mutual support in our economic endeavors. And at the bottom line, it will be our sustained progress that will ensure for the nations in this region a greater degree of stability and security.

[Mahathir] What I would like to add is the promotion of ASEAN. ASEAN was formed because we are a group or part of each other and if it is your time to discuss this problem, well the likelihood is that you would confront each other. But while we have ASEAN, let's sit down and talk and discuss the problems including security problems. [passage omitted]

I am honestly saying that security problems can be resolved by not resorting to harms and having powerful navies and armies in the region to protect us. We didn't see who is going to be our enemies. One of the things we believe in is, if you say such and such country is going to be your enemy in the future, then they will be your enemy now, and that is where it will put us at a loss. So we would rather say that they are our friends. And when you look around us, we see friends, so we won't be immersed to worry about security that much.

It is the other people out there who's thinking of harping on the question of security, implying that there is arms struggle forth around here. This is one thing to conquer us, that is, out of discontent because countries don't conquer anymore, but this is overt dream to conquer.

The other thing is that, one of the reasons for the feeling of insecurity is the fact that they have nothing else to think of. For example, if a country is very poor, then it may think of invading another country in order to get the wealth of another country. But if countries have prospered, they have invested into it to see that there is stability in the region. So that they continue with their economic expansion as well as trade. And we believe that if the whole of this region can become prosperous, then we would all have invested into it to maintain stability

and peace without resorting to war. Just the fact that we need stability in order to trade would make us very much aware of the need to avoid conflict. And I think this is happening in Southeast Asia and in East Asia. [passage omitted]

Our experience with the Japanese is that they invested in Malaysia and their investments has enabled Malaysia to prosper. And because we are more prosperous now, we are buying a lot of Japanese goods. So the Japanese are getting the return of their investment more than just the profits from their investments.

But then, if we are not stable, then, they won't get returns for their investment. So, when we invest in other countries, we hope that their countries will become prosperous. And because they are prosperous, they will have vested interests and see to it that there is no war, no conflict, that peace is maintained. And because there is what is good for them, so, I don't think we need to resort to inviting the navies and armies from other parts of the world to come and defend us. And we feel that sometimes if it is not in their interest, they don't defend you.

[Abanot] Just a point of clarification from the president and the prime minister. It's been over a year that you got the Manila Declaration regarding the resolution of the Spratly issue. Are all the countries involved now making a timetable in resolving this once and for all?

[Ramos] [passage omitted] In our bilateral meeting today, we reaffirm our commitment—the Philippines and Malaysia—to that policy of a peaceful approach to the solution of any disputes in the South China Sea. And one of the major steps taken, which I consider to be a step forward, is to get our fisheries technical people to continue meeting—because we have already started meeting—so that we can work out some sort of a fisheries agreement between Malaysia and the Philippines. And our fishermen can jointly fish in the area for the benefit of both countries.

To further extend the idea of cooperation in fishing activities, Malaysia and the Philippines will look for other possible areas for fishing and food processing cooperation outside of the Spratly Island area. This kind of approach, in fact, is what will be used for other areas in which there are border problems. And it will also be the guiding principles behind our proposed border-crossing agreement, which is now under consideration of our joint Philippine-Malaysian commission. [passage omitted]

Paper Views Dispute With Malaysia Over Sabah
BK0702041794 Manila THE MANILA CHRONICLE
in English 2 Feb 94 p 4

[Excerpts] As expected, Malaysian Prime Minister Mahathir bin Mohamed will not pass the chance of holding a dialogue with key Philippine legislators on the single, most burning issue that preoccupies Philippine-Malaysian relations: the dispute over Sabah.

Foreign Undersecretary Rodolfo Severino said the dispute would in no way be the focus of Mahathir's visit this week, but he pointed out that "the air could be cleared to some extent and things clarified" with the Malaysian leader's meeting with members of the Philippine Congress.

It is just as well. Although the executive since the time of former President Corazon C. Aquino has made moves to drop the Sabah claim to improve our relations with Malaysia, opposition by senators has consistently stood in the way. [passage omitted]

Mahathir has since said that he understands the peculiarity of the Philippine system, declaring that certain processes have to be followed before Manila could relinquish its claim to Sabah.

The Sabah issue, therefore, represents just about the exception in the traditional dictum that foreign policy is formulated by the executive. The issue is an emotional one and cannot be resolved by mere executive fiat. But more than that, the Sabah issue represents the challenge facing the Philippine government system on one hand, and Philippine-Malaysian relations on the other. Since the Senate has insisted on becoming a partner with Malacanang [presidential office] in setting the foreign-policy agenda at least in so far as the Sabah issue is concerned, it is compelled to define a far-reaching but workable stand to resolve the thorniest problem plaguing our relations with Malaysia. Prolonged opposition by lawmakers to executive initiatives to drop the claim without any initiative on their part to make practical proposals will inevitably be construed as nothing but obstructionism. In short, the issue is a challenge to Philippine democratic consensus-building. [passage omitted]

To be sure, the exchange visit of Mr. Mahathir will show that Philippine-Malaysian relations have matured. It signals the desire of Malaysia to continue on the path of regional solidarity and cooperation. The grand vision of ASEAN appears secure and cannot be derailed by territorial disputes. Like France and Germany, the Philippines and Malaysia have managed to build a strong partnership in spite of pending historical claims. [passage omitted]

It is up to our legislators to show to the Malaysian leader that their opposition to dropping the Sabah claim at this time upholds the national interest, an aspect of which is fostering better relations with Malaysia. The dialogue perhaps will make tentative steps toward resolving the dispute once and for all in a peaceful and mutually beneficial manner. If so, the Sabah issue may yet instruct and impress the Malaysians on the glory of Philippine democracy.

Government's 1993 Debt Hits P656.6 Billion

BK0702025094 Manila MANILA BULLETIN in English 2 Feb 94 p b-1

[Text] The country's domestic debt stock was placed at P656.59 billion [Philippine pesos] as of end-1993, more than 29 percent the previous year.

Official statistics obtained yesterday showed end-December local debt was P148.312 billion over the P508.278 billion borrowed from local sources in 1992.

If the \$34 billion foreign debt stock, roughly equivalent to P9.18 trillion, were added to the domestic liability, the total country indebtedness would reached a staggering P9.836 trillion.

Data indicated that bulk of the local liabilities, P624.181 billion or 95.06 percent, was incurred by the national government. The balance was borrowed by government corporations amounting to P4.038 billion and P28.371 billion by the monetary institutions. On a month-on-month basis, though, borrowings of the government corporations as well as that of the monetary institutions dropped slightly by P14 million and P14.456 billion, respectively. On the other hand, the national government's liabilities widened by a hefty P196.949 billion from the previous month's level of P427.232 billion. .

According to the Bangko Sentral ng Pilipinas (BSP) [Central Bank of the Philippines], expansion in the NG [national government] domestic debt stock was caused by its decision to absorb a substantial amount of liabilities of the old Central Bank through the issuance of the P220 billion worth of bonds to the BSP. The BSP said that an aggregate of P226.95 billion has already been inputted in the end-December liabilities. Of this amount P176.952 billion was in Treasury bills and P50 billion were Treasury notes. While the increment was substantially lower by P30 billion from the amount inputted to the national government liabilities in December, this amount was however, paid to the BSP for the advances it made for the national government in the past.

Thailand

Surin on World Trade Center Bombing Suspects

BK0502155094 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 5 Feb 94

[Text] Speaking to reporters, Deputy Foreign Minister Surin Phitsuwan said he could not confirm the report by a foreign news agency that the suspects in the bombing of the World Trade Center are hiding in Thailand. Surin said he did not know where the agency got its information. The National Security Council is checking the report. If this is true, it will give Thailand a bad reputation. The Foreign Ministry will make clarifications later.

[Begin Surin recording, in progress] ...U.S. Government authorities in Thailand have confirmed to me that they

have no information on this matter—no proof; no evidence. They themselves know nothing about it. They do not know who the source of the report is or how reliable it is. Therefore, we will have to check on it. We cannot remain idle; still, we cannot take the report at face value because there has been no confirmation. We have only read this in newspapers that quote sources and make headlines about it. [end recording]

Security Chief Affirms Stance

BK0502084894 Bangkok Radio Thailand Network in Thai 0530 GMT 5 Feb 94

[Text] Speaking to reporters at Government House this morning about the report on the terrorist responsible for the bombing of the U.S. World Trade Center hiding in Thailand, General Charan Kunlawanit, said that was the story presented by a news agency. However, the problem of terrorism seems to exist in all countries. Anyone who has information on this issue is requested to contact the authorities. Thai authorities are ready to conduct an investigation into the matter and arrest such a person. Thailand has been cooperating with foreign countries and agencies in the prevention and suppression of international terrorism.

U.S. Taxation Talks Viewed Likely To Fail

BK0702070694 Bangkok KRUNGTHEP THURAKIT in Thai 7 Feb 94 p 2

[Excerpts] Thailand and the United States will on 7 February hold another round of negotiations on the signing of a double taxation treaty. More than 20 such talks were held before but failed to produce any success because the Finance Ministry, which is in charge of the country's taxation policy, considered the conditions proposed by the U.S. side excessively disadvantageous to Thailand.

A source in the Finance Ministry noted that the outcome of this round of negotiations, which will last until 10 February, will be crucial to both countries because its success means the breakthrough of the over 16-year-long stalemate.

During his meeting with U.S. Secretary of Treasury Lloyd Bentsen on 18 January, Finance Minister Tharin Nimanhemin reaffirmed his endeavors to make the negotiations successful for the benefit of the the two countries' trade and investment. However, he stressed that the agreement must not put Thailand at a disadvantage.

However, this will be a tough job for Director General of Revenue Department M.R. Chatumongkhon Sonakun, who will conduct the negotiations with the U.S. side. He also knows full well that several U.S. demands were detrimental to Thai interests and caused failure of the past talks.

In addition to that, the United States itself is also influenced by pressure from various interest groups and thus has to carefully consider the impact on them. Otherwise, the U.S. Government will face assaults from professional lobbyists of these groups. [passage omitted]

A source said: "Our estimation of the percentage of success for this round of negotiations is very low because the conditions proposed by the United States are too disadvantageous to Thailand. It is unlikely that the United States will adopt a compromising stand during the talks. Although Bentsen said when he came here that efforts would be made to ensure flexibility, the U.S. side will attach more importance to the interests of their people. If we yield to some of their demands, we will be in a disadvantageous position. In short, it is very likely that no agreement can be reached this time."

Finance Ministry Pessimism Cited

BK0702101394 Bangkok KRUNGTHAP THURAKIT in Thai 7 Feb 94 pp 1, 6

[Text] A Finance Ministry source has disclosed that there are four major issues likely to cause the failure of the Thai-U.S. negotiations on avoiding double taxation, scheduled to begin today.

He said the first obstacle is whether or not the definition of royalties should cover intellectual property rights and other rights, as well as fixing appropriate tax rates.

Second is whether or not the definition of air and sea transportation services covers other activities, such as sea and air charters, as well as determining their tax exemption.

Third is what types of activities should be included in the definition of a "permanent establishment."

Fourth is the problem of fixing an appropriate tax rate for interest earnings. There is a wide gap between the two countries' tax rates. Thailand collects 15 percent of the interest earnings of banks, while the United States charges 30 percent.

Revenue Department Director General M.R. Chatumongkhon Sonakun has disclosed that 19 issues will be brought up for discussion during the negotiations. He anticipates encountering more difficulties in these negotiations than with the other countries that want to amend their treaties with Thailand on avoiding double taxation. This is because there are many interest groups involved, and they are openly lobbying their government. The director general said: "The major obstacle to the Thai-U.S. negotiations, which have been dragging on for many years, is that many lobbyists have been pressuring the politicians. If this round of negotiations is unsuccessful, it will be postponed until next year. Still, I am not sure that the two sides will be able to reach any agreement."

The director general noted that Thailand is at a disadvantage in this round of negotiations because it is a smaller country and its exports to the United States account for 25 percent of its total exports. In addition, the United States imposes a mere 1 percent tax on Thai

imports, which is minimal when compared with other countries. For this reason, the United States may show leniency toward some of the Thai side's requests.

The director general stressed that the government attaches great significance to this round of negotiations. Everyone hopes that it will succeed and be equitable and fair to both sides. He said: "That is why the talks will take three full days—from today until 10 February. This is longer than similar talks we have held with other countries."

Officials, Newspapers Greet End of SRV Embargo

Annual Wirawan Comments

BK0502092494 Bangkok Radio Thailand Network in Thai 0000 GMT 5 Feb 94

[Text] The Ministry of Foreign Affairs yesterday received from Washington yesterday a report on the lifting of the U.S. trade embargo against Vietnam. President Bill Clinton made the decision after the U.S. Senate on 28 January voted 62 against 38 for the abrogation of the law on a trade embargo against Vietnam. The lifting of the U.S. embargo can be regarded as the opening of the door to the world market for Vietnam because the trade boycott created numerous obstacles to trade and investment development in that country. As a result, not only Vietnam but also all countries, including the U.S. private sectors, will benefit from this new move for they will be able to do business in Vietnam, which is one of the markets and investment areas in the Asia and Pacific region that is of high potential.

As a close neighboring country of Vietnam, Thailand is extremely pleased with the U.S. president's decision and regards it as ending the past conflict and beginning a period of peace and economic development in Indochina and the Southeast Asian region.

Speaking to reporters during an interview right after learning about the report at Government House yesterday, Deputy Prime Minister Amnuai Wirawan said:

[Begin Amnuai recording] Not only the United States but also other countries will invest in Vietnam because the process of economic development is currently being carried out with the cooperation of several countries in line with the so-called globalization system. For this reason, all countries, including Thailand, will benefit from the lifting of the embargo. We will have to closely monitor this new development. Our entrepreneurs, business people, and industrialists should render their cooperation because they can also share in the benefit along with Vietnam and other countries. [end recording]

Asked about the anticipated increase of Thai investment in Vietnam, the deputy prime minister said:

[Begin Amunai recording] There is nothing wrong with this if it is for mutual interests. If we have the resources,

we can form joint investment ventures with them. This is a common practice because all the parties concerned will gain. Meanwhile, it does not mean that we will not invest in our own country. In fact, Thailand's economy is much more advanced than theirs. Our market is big and wide. We have the buying power. Nobody wants to turn away from Thailand. Provided we manage our economy properly, our market will continue to expand rapidly. This new development will benefit our region, particularly in the areas of international security and political stability. [end recording]

Minister on Post-Embargo Competition

BK0602112794 Bangkok Thai Color Television
Channel 9 in Thai 1200 GMT 5 Feb 94

[Text] Deputy Commerce Minister Chaloeiphon Sanitwongchai said during an interview with newsmen in Udon Thani Province that Thailand will certainly feel the impact from the lifting of the U.S. trade embargo on Vietnam. Vietnam is quick to adjust and therefore likely to catch up with Thailand within five years despite the fact that Vietnam now is 20 years behind Thailand. He said the Vietnamese people are very diligent by nature. Vietnam is a big competitor of Thailand in rice exports, but the quality of Vietnam's rice is still lower than Thai rice. Thailand, he said, must try to improve the quality of its rice export, especially in terms of packaging.

Suphachai, Spokesmen Comment

BK0502101594 Bangkok BANGKOK POST in English
5 Feb 94 p 22

[Excerpts] The Thai Government yesterday welcomed the lifting of the US embargo against Vietnam as an opportunity for both countries to grow economically.

Deputy Prime Minister Suphachai Phanitchaphak said the move will be to the advantage of both Vietnam and Thailand. It will be a catalyst in the development of Vietnam, as more investors will go in, but it will be for Vietnam to amend its existing laws and regulations to tempt investors, he said. The transfer of funds will become more convenient, and the Mekhong Sub-region Project will benefit as Vietnam will be encouraged to take part, he said. Suphachai assured Thai investors that Vietnam will not become a competitor because Thailand is several steps ahead of Vietnam in manufacturing.

Deputy Prime Minister Amnuai Wirawan commented that he does not expect Vietnam to represent a serious threat to Thai rice exports to the US as a result of the move. The US imports Thai glutinous rice because there are many Asians living there, and normally the US does not import rice from any country because of its rice surplus. Amnuai said Thailand's strong economic growth will prevent a significant shift of foreign investment away from Thailand to Vietnam. "Nobody will abandon Thailand for Vietnam," he said. "What we should worry about is how to manage and control our strong growth."

Government spokesman Aphisit Wetchachiwa said that Thailand as one of the main gateways to Indochina stands to benefit from increased trade and regional investment. "The lifting of the embargo will stimulate trade and investment in the region," Aphisit told UPI. "It is positive development for Thailand." But the lifting of the embargo will eliminate the necessity to trans-ship products through Thailand to Vietnam. "Definitely it will affect certain kinds of Thai businesses," Aphisit said. "Some will benefit from this and some will lose. We have to accept the (Vietnamese) competition." [passage omitted]

Kroekkrai Chiraphaet, Director-General of the Business Economics Department, said the move will mean keener competition for Thailand. "Vietnam may take three to five years to catch up with us, especially in products such as textiles, shoes, electronics, computer components and electrical appliances, he said. But it does not take long to establish factories and Vietnam has a comparative labour advantage, he said. Thailand's labour costs are moving up, therefore it should seek a comparative advantage in manufacturing quality. Thailand must catch up with Japan, Taiwan, Korea and Hong Kong and step away from competitors. The influx of investors to Vietnam implies that they want to gain a greater share of the local market, Kroekkrai said.

Due to its proximity to Vietnam, Thailand enjoys a decisive advantage in certain businesses such as construction materials and certain Thai consumer products. These have gained market recognition from being smuggled into Vietnam over the past two decades. [passage omitted]

Surin, Foreign Ministry Comment

BK0502092594 Bangkok BANGKOK POST in English
5 Feb 94 p 1

[Excerpt] Deputy Foreign Minister Surin Phitsuwan yesterday hailed US President Bill Clinton's removal of 30-year old trade sanctions against Vietnam as a move that would benefit Thailand and the region. At the same time, Mr Surin acknowledged that the return of US business to Vietnam would have some repercussions on Thailand. He did not elaborate on the repercussions, but said they should serve to prompt Thais to "pay more attention" to economic developments in the region. "Thailand will benefit from economic development in Vietnam," he said. "The region is a free market. The emergence of Vietnam in the market system will enable the region to develop trade, investment and tourism ties," he said.

A Foreign Ministry statement said the removal of the US embargo would not only improve the "atmosphere" between the US and Vietnam but also foster economic development in Vietnam and the Southeast Asian region.

The Foreign Ministry's East Asia Department director-general, Don Pramutwinai, said better economic conditions expected to come with the removal of the US embargo are unlikely to lead to political liberalisation in Vietnam. It was a "matter of theory" that people enjoying better living standards would demand political freedom, he said. In reality, the situation in Vietnam was different because the Communist Party remained firmly in charge of the country, he said. The party recently made clear that it would retain the existing system, indicating that political and economic policies were working, he said. "If existing conditions in Vietnam are suitable for the country, why should they be changed?" But the future of communism in Vietnam depended on economic developments in the world at large and Vietnam's response to them, he said. Vietnamese people were unlikely to demand political change "because they have been under strict control," he said. Vietnam learned from pro-democracy protests in the Soviet Union and China where there were demands for political reform after economic improvements.

Demands for democracy and human rights in Vietnam were more likely to come from the United States, he said. "If the Americans don't make the demand, no one else will," he said.

Another official said that better economic conditions would improve Vietnam's access to the outside world, and this might lead to demand for change especially among Vietnamese in the southern part of the country. The southerners were previously in contact with the West and, with a better economy, might demand political change, he said. The official cited the pro-democracy demonstrations in Tienanmen Square in Peking in 1989. But he noted that Vietnam's Communist Party was "more hardline" than that of China and that it remained unpredictable how Hanoi would adjust to any demand for political change.

Deputy Foreign Ministry spokesman Ravi Hongpraphat said the removal of the US embargo would help ease tension in Southeast Asia. Economically, Lt [Lieutenant] Ravi warned that Thais would have to work harder because there would be competition in the cheaper labour market in Vietnam.

Another official pointed out that there would also be competition for Thailand in terms of US capital and technology. "Thai businessmen must work harder because other investors from the US have big money and high technology needed in Vietnam," the official said. "Our investors have the edge only in terms of experience in some, not many, sectors." The entry of US business into Vietnam would lead to more systematic economic development of the country, he said. [passage omitted]

Board of Trade Chief

BK0502150594 Bangkok SIAM RAT in Thai 4 Feb 94 p 1

[Text] Commenting on the lifting of U.S. economic sanctions against Vietnam, Prayun Thaloengsi, executive director of the Thailand Board of Trade, said that in the future Vietnam would become Thailand's competitor. Anyway, he said, Thai businessmen do not need to worry about Vietnam's development because Thailand is already on the road to development and is currently strengthening its system.

Prayun, who made his comments on 4 February, said that the lifting of the U.S. embargo would directly benefit Vietnam and would boost the climate for trade and investment in Vietnam. As for the United States, its businessmen will have direct access to investment in Vietnam. They will no longer have to conduct business half in the open and half in secret, as in the past. Vietnam will also benefit from the move in that it will now be able to seek foreign loans. Thailand, he said, can regard Vietnam as a new market, because Vietnam is shifting toward a market economy with the lifting of U.S. economic sanctions. Meanwhile, Vietnam will become Thailand's competitor in the future, especially in labor-intensive industries, because of the fact that labor is cheaper in Vietnam than in Thailand.

Daily Applauds 'New Page' in Ties

BK0602122794 Bangkok THAI RAT in Thai 5 Feb 94 p 2

["World Window" column by Thetthat]

[Excerpts] If everything went as planned, by now, on Friday in Washington D.C. (Saturday in Thailand), President Bill Clinton must already have announced a major decision to lift the trade sanctions imposed for 30 years on Vietnam, its adversary.

The decision of the U.S. leader will turn a new page in the history of relations between the United States and Vietnam, now free of conditions from the Indochina war. [passage omitted]

Those benefiting from the removal of the trade sanctions are none other than private American companies which, from now on, will be able to reap profits from Vietnam in full after allowing Japan to gain huge interests for so long.

The American business sector believed that the sanctions caused more damage to the United States than to Vietnam. It deprived the U.S. private sector of "business opportunities" during the 30 years of the sanctions. [passage omitted] In the eyes of American businessmen, Vietnam is no longer the enemy who killed more than 50,000 American GIs during the war. Vietnam of the "new era" for them is a country with high economic potential and the possibility of becoming another "new tiger in Asia." More importantly, Vietnam

can serve as a "base" in the economic power play as a balance against China and Japan. [passage omitted]

However, experts on this matter do not think the United States will restore diplomatic relations with Vietnam as easily as it decided to lift the trade sanctions (which stood for economic commitments).

For the United States, the question of diplomatic relations with Hanoi must certainly be linked with the question of human rights, democracy development, and other conditions. Thus, it will take a long time before the two countries can establish full diplomatic relations.

As for President Clinton, he has once again demonstrated political 'courage' despite the fact that he risked being opposed by war veterans. Yet the risk is worthwhile because he has gotten full support from the business and political sectors, especially from the rival Republican Party. With all the pros and cons taken into account, it can be said that the whole of the United States stands to gain from this action.

SRV Development Said Beneficial

BK0502105394 Bangkok BANGKOK POST in English
15 Feb 94 p 15

[Text] Thai businessmen resident in Vietnam say the Thai Government and private sector should work hard together to turn Vietnam's post-embargo economy from a competitor into one that complements Thailand's growth.

The sale of construction materials and the opportunity to participate in construction contracts are among the most promising prospects arising from the expected influx of US companies after US President Bill Clinton announced on Thursday night he was lifting the trade embargo, they said.

"If we come up with well-thoughtout strategies on the part of both the Government and the private sector the revival of Vietnam can be turned into something complementing, instead of competing with, the Thai economy," Thotsathit Rotprasoe, manager of Thai Military Bank's Ho Chi Minh City branch, told BUSINESS POST.

The fact that Vietnam may soon be able to speed up rehabilitation of its war-ravaged infrastructure will boost demand for construction materials, and this presents a potential for growth in bilateral trade with Thailand, said Sinthon Kanthawong, the Thai Commercial Counsellor to Vietnam in Hanoi.

Vietnam's domestic cement production capacity is now four million tons, while the country's Ministry of Construction projects demand at 8-10 million tons. Both Mr Thotsathit and Mr Sinthon agreed that opportunities for Thai construction companies were very clear, either in subcontracting from giant multinationals or in supplying construction materials and heavy machinery. Thailand's location is certainly a plus, Mr Sinthon added.

"Thai products are in the quality and price ranges that fit the Vietnamese demand and purchasing power besides being in a geographically convenient location," he said. However, Thai companies wishing to invest or develop business opportunities in Vietnam will face tougher competition now with many other players entering the scene, especially the Americans and the Japanese, he noted.

Mr Thotsathit called on the Government to promote trade financing facilities in order to allow greater and easier trade in construction materials such as cement, asphalt, cranes and other heavy machinery. He also said it was high time the Thai Construction Contractors' Association moved into the Vietnamese market under the leadership of the Thai Government, in a systematic way. Such a movement has not yet taken place, he added. Mr Thotsathit said Thailand could help fill the gaps existing in Vietnam to create a complementary economy. "There is a reason to fear rivalry with Vietnam if the Thais are not well-prepared. But if we are well-prepared, the growth of Vietnamese economy can benefit the Thai economy, and this is already very clear with the construction sector."

Mr Sinthon agreed, saying that competition in the production and export of primary agricultural commodities is inevitable. "But for manufactured products such as motorbikes, electric appliances, consumer goods or semi-processed goods, Thailand can meet those rising demands in Vietnam," he added. Thailand has to take the competitiveness factor into consideration in the longer term but not the short term, he noted.

Editorial Hails Embargo End

BK0502093694 Bangkok THE NATION in English
5 Feb 94 p A6

[Excerpts] US President Bill Clinton's decision to lift a long-standing trade embargo against Vietnam had been expected. [passage omitted]

In his White House speech, Clinton said the time for bitterness was over and now was the time for a new beginning between Hanoi and Washington. This is indeed laudable and the US president could not have said it better.

The reconciliation process was a long difficult one for the United States due to the great bitterness the Vietnam War had caused among the American people. At that time it was perceived that a communist regime had beaten the free world superpower of the day, and this did not go down well with the American people.

When the embargo was extended after 1975, its purpose was to squeeze more information from Vietnam regarding the American MiAs. [missing in action] Veterans groups and families of the MiAs were of course very emotionally involved, just wanting to know what happened to their loved ones.

Hence there was a great deal of pressure on a number of US administrators to keep the embargo intact until there was a full accounting of the missing servicemen. [passage omitted]

For the Vietnamese to forgive and forget is also laudable. It has to be remembered the extent to which the Vietnamese have suffered from the ravages of war. Since 1946 they have fought five wars almost continuously, and nearly 10 percent of the population of about 71 million is totally disabled.

Interestingly enough, one of the key questions on the minds of many is to what degree the issue of trade played a part in the presidential decision. Clearly, American companies have been represented in Hanoi for a long time but the embargo has always prevented them from assuming a full role in the booming Vietnamese economy. Because of this they have been forced to stay on the sidelines while European, Australian, Japanese, South Korean and Hong Kong companies have been able to get a good head start on them.

Obviously, this factor has been the main point of consideration, though in answering questions from reporters Clinton said the trade question did not influence his decision.

Unfortunately, the lifting of the trade embargo is not quite the same as the normalization of relation between Washington and Hanoi. Normalization usually involves the exchange of ambassadors and other diplomatic ties and these were certainly not a part of the current presidential decision.

However, it can be assumed that Vietnam will be seeking diplomatic ties with the United States. Since the collapse of the Soviet Union, Hanoi has been looking for a guarantor against China's expanding role in the region and sees Washington now being able to play the part.

The establishment of a US liaison office in Hanoi is indeed positive development and this must be seen as the first step on the path towards normalizing ties between the two countries.

With the lifting of the trade embargo, the United States and Vietnam can now look forward to a better future. This is indeed a good omen for the beginning of the new lunar year next week because, for the first time in decades, Vietnam is not at war or in conflict with any country.

Paper Urges Heeding U.S. Human Rights Report

BK0702131094 Bangkok SIAM POST in Thai 7 Feb 94 p 4

[Editorial: "Reflection of Human Rights"]

[Excerpt] The U.S. State Department indicated in its report on human rights that the situation in Thailand is still bad. In 1993 in particular, more than 60 suspects

died during detention. The report also said suspects were quite often victims of extra-judicial execution by policemen.

The U.S. State Department indicated in its 1 February record on human rights in 193 nations that many countries in Asia are found to violate human rights. They include Thailand, India, Indonesia, Vietnam, and Pakistan.

According to the report, criminal suspects under detention often complained that they were victims of several kinds of torture by police authorities, including electric shock to force confessions.

The report also noted that human rights violations in Thailand included the abuse of women and children—the procurement of women for prostitution and forced child labor are widespread.

Not a single leader in the government either acknowledged or rejected the State Department report on human rights violations in Thailand. Undoubtedly, Thailand in the eyes of the world is a country whose people still lack due rights and freedoms enjoyed by those under democratic governments. The prevailing human rights violations are a reflection that Thai people do not fully enjoy rights and freedoms prescribed in the Constitution which is the highest law of the nation.

The government therefore must review administrative policy and follow up implementation by authorities, especially when it concerns the justice system at all levels which directly involves people's rights and freedoms, and basic human rights in general. [passage omitted]

Speaker Marut: Indochina Visit 'Highly Successful'

BK0702150494 Bangkok Radio Thailand Network in Thai 1200 GMT 7 Feb 94

[Text] Professor Marut Bunnak, speaker of the House of Representatives and president of the National Assembly, accompanied by his delegation this afternoon arrived at the Bangkok International Airport after paying official visits in Indochina. The Thai parliamentary delegation visited the Lao People's Democratic Republic, the Socialist Republic of Vietnam, and the Republic of Cambodia from 1 to 7 February. The visit was termed highly successful. The Indochinese countries agreed with Thailand's proposal to set up parliamentary friendship associations which will highly benefit the Indochinese countries in terms of legislative and parliamentary development. The establishment of friendship associations between Thailand, Laos, Vietnam, and Cambodia should be accomplished in the near future to forge closer relations among those countries.

The Thai parliamentary delegation was accorded great honor and warm welcomes throughout the visit. It received requests to provide knowledge of modern laws and to introduce interesting laws of Thailand for the

others to study. Thailand also discussed with Vietnam the fate of a group of Thai fishermen arrested there. Vietnam pledged to take proper steps in order to achieve their release prior to the visit to Vietnam in March by the Thai prime minister.

Asked by newsmen about Thai investment in Cambodia, Marut Bunnak said Thai businessmen encountered some small problems which should be settled through clarification of the contracts. He noted that it was only the beginning and Thai investors, therefore, should be careful about what they are doing. Anyway, he said those problems would have no impact on overall investment by Thai businessmen.

Vietnam

Radio Cites U.S. on Recovery of MIA Remains

BK0702121994 Hanoi Voice of Vietnam in English
1000 GMT 7 Feb 94

[Text] The United States MIA office in Hanoi said a number of remains of American servicemen found in the field search last week will be sent to Hawaii on Tuesday [8 February] for identification.

The United States Administration hopes that the lifting of the trade embargo against Vietnam last week was an effective measure to provide a solution to the MIA issue. However, Washington also agreed that it was hard to solve all cases of American GI's reported missing in Indochina.

Vietcombank, American Express Sign Agreement

BK0502163494 Hanoi VNA in English 1453 GMT
5 Feb 94

[Text] Hanoi VNA Feb. 5—A paying representative agreement for card business was signed here yesterday afternoon between the Vietnam Foreign Trade Bank (Vietcombank) and the American Express International Inc.

Under this agreement the Vietcombank will pay various kinds of credit cards issued by American Express which are used to pay for goods brought by and services rendered to holders.

Vietcombank has already undertaken payment for Master, Visa and JBC cards used in Vietnam.

U.S. Companies Start Business After Embargo End

BK0502113894 Hanoi Voice of Vietnam in English
1000 GMT 5 Feb 94

[Text] Within hours of the lifting of the U.S. trade embargo, American companies started doing business in Vietnam. On Friday evening, some 200 Vietnamese and Americans met at a hotel in Hanoi to celebrate the event.

An American credit company has signed a contract on the stipulation of credit cards in Vietnam and an American aviation company has announced plans to establish an air link from Los Angeles to Ho Chi Minh City.

Meanwhile, locally produced bottles of Pepsi Cola were hitting shop shelves in Ho Chi Minh City and Hanoi. Mr. [name indistinct], regional president of Pepsi Cola International, said at a press conference marking the event in Ho Chi Minh City on Friday: We have waited for this day for a long time. Pepsi is the first, and for now, the only [words indistinct] licensed to bottle its products in Vietnam. The company is producing an initial run of 1,500 cases for local sampling and will be fully operational in a week.

More Foreign Contracts in Haiphong EPZ

BK0602095894 Hanoi VNA in English 0620 GMT
6 Feb 94

[Text] Hanoi VNA Feb. 6—The Haiphong EPZ joint venture company has received more and more investment applications by foreign companies. On Jan. 28, it signed contracts in principle with foreign companies from China, South Africa, Taiwan, Hong Kong and the United States.

The Haiphong EPZ is a joint venture between Hong Kong's Very Good International Group and the Haiphong EPZ development company. It lies between Haiphong city and the seaside resort of Do Son to the southeast.

After one year's operation, the Haiphong EPZ joint venture company has built 3,000 metres of surrounding fences and fulfilled contracts to supply water and electricity. It has also prepared for infrastructure development by opening tenders in the first quarter of this year.

Infrastructure construction, in the first phase, covering an area of 300 hectares, will cost some 280 million dollars. An industrial and commercial service centre has already been set up to receive investment capital inflow to the EPZ.

VNA on Foreign Minister's Visit to Uzbekistan

BK0602074994 Hanoi VNA in English 1511 GMT
5 Feb 94

[Text] Hanoi VNA Feb. 5—Foreign Minister Nguyen Manh Cam paid an official visit to Uzbekistan from Feb. 2-4 as guest of the Uzbek Government. While there, Minister Nguyen Manh Cam was received by President of Uzbekistan Mr I. Karimov and was informed of the process of reform in Uzbekistan. He held talks with his Uzbek counterpart, Mr. S. Saidqasymov, exchanged views with Ministry of External Economic Relations, and inquired into experiences of a number of economic establishments in Uzbekistan.

At those talks and meetings, the two sides informed each other of the situation in each country, exchanged views on the relations between Vietnam and Uzbekistan and on international issues of common concerns. The two sides unanimously agreed that Vietnam and Uzbekistan have much potential and demands to promote multi-sided cooperation, meeting the aspiration and interests of the two peoples. Minister Nguyen Manh Cam affirmed that the Vietnamese Government and people always attach importance to the maintenance and development of friendship and cooperation with the Uzbek Government and people.

On this occasion, Foreign Minister Nguyen Manh Cam and his Uzbek counterpart, S. Saidqasymov, signed an agreement on economic and commercial cooperation between the two countries. This event marked the opening of a new phase of development in Vietnam-Uzbekistan economic and commercial relations. The two sides stressed the necessity to quickly create legal basis for a long-time cooperation between the two countries. They agreed that in the time to come they will sign an agreement on investment promotion and protection, an agreement on avoidance of double taxation, documents on cooperation between banks of the two countries and other documents.

Environmental Pact Signed With Australia 4 Feb

*BK0602142294 Hanoi VNA in English 1402 GMT
6 Feb 94*

[Text] Hanoi VNA Feb. 6—A memorandum of understanding on long-term cooperation in the economic, engineering, scientific and related aspects of water, land and environmental management, development and control between Vietnam and Australia was signed here on Feb. 4.

Signatories were Vice Minister of Water Resources Phan Si Ky and Australian Minister of Land and Water Conservation Hon George Souris [name and title as received] who has been here for a working visit to Vietnam.

Among those present at the signing ceremony were representatives of the governmental offices, the Ministry for Foreign Affairs and other offices concerned, and Australian counselor proper [name indistinct].

Leaders Receive UNDP General Director

*BK0402102894 Hanoi Vietnam Television Network in
Vietnamese 1215 GMT 3 Feb 94*

[Text] Accepting the invitation of the Vietnamese Government, Mr. James Speth, general director of the United Nations Development Program [UNDP] paid an official visit to Vietnam from 26 to 30 January.

During the visit, the general director was cordially received by First Deputy Prime Minister Phan Van Khai. The deputy prime minister expressed a good

opinion of the Vietnamese Government and people to the useful and efficient UNDP assistance to Vietnam. The general director expressed his pleasure at visiting Vietnam, a country with a very successful cooperation with UNDP. He also confirmed that UNDP will do its best to assist the Vietnamese Government and people.

Before that Foreign Minister Nguyen Manh Cam cordially received Mr. James Speth. The two sides exchanged views on UNDP assistance to Vietnam and on issues to help the Vietnam Government to improve national capacity to accelerate development. The two sides also mentioned the UNDP government-supporting role and other issues of mutual concern.

Thai Speaker Marut Views Results of Visit

*BK0602122194 Bangkok Radio Thailand Network in
Thai 0530 GMT 5 Feb 94*

[Text] Marut Bunnak, house speaker and National Assembly president, briefed reporters in Hanoi on results of the visit to Vietnam by his delegation of the House of Representatives from 3 to 4 February. He said that the visit was successful beyond expectations. During the visit, he met with Nong Duc Manh, chairman of the National Assembly of Vietnam, to exchange views on the work of their respective assemblies. The Vietnamese side agreed with the Thai idea of setting up a Thai-Vietnamese friendship association and to provide knowledge of modern laws to Vietnam, including industrial, investment, and revenue laws.

The house speaker said that he paid a courtesy call on Vietnamese President Le Duc Anh. The sides vowed to further strengthen good relations between the two countries.

During his meeting with Vietnamese Prime Minister Vo Van Kiet, the Vietnamese prime minister extended his best wishes to Thailand.

The house speaker also had a chance to meet with Communist Party of Vietnam [CPV] General Secretary Do Muoi. The CPV general secretary wished that the two countries will co-exist like brothers and use their good relations to solve problems.

Meanwhile, House Speaker Marut and his delegation will today pay a two-day official visit to the Kingdom of Cambodia.

Man Sentenced to 15 Years for Waving Saigon Flag

*BK0702104994 Hong Kong AFP in English 0344 GMT
7 Feb 94*

[Text] Ho Chi Minh City, Feb 7 (AFP)—A man who unfurled the flag of former South Vietnam during Ho Chi Minh City's first international marathon in December 1992 has been imprisoned for 15 years, an official newspaper said Monday. Pham Van Quang, 52,

was convicted by the Ho Chi Minh City People's Court of having "deliberately engaged in a subversive act in a public place," the Saigon Giai Phong (Liberated Saigon) daily said.

The court said that on December 16, 1992, when the city was hosting its first international marathon, Quang drove to crowded Me Linh square, in front of the Saigon Floating Hotel, where the marathon's media center was located.

Climbing onto the hood of his car, he waved the flag of the ousted Saigon regime and fired 19 shots to attract attention, the court account said.

It added that he pulled the pin of a hand grenade to scare away security officers. At the time, witnesses said the man was wearing the brown robes of the historically anti-communist Hoa Hao Buddhist sect. They did not report hearing any shots or seeing a grenade.

Do Muoi Meets Assesses Central Provinces' Work

BK0702122394 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 6 Feb 94

[Tran Trong Truy report on visit by party General Secretary Do Muoi and Politburo member Dao Duy Tung to Danang city from 31 Jan to 2 Feb]

[Excerpts] Dear Friends: From 31 January to 2 February in Danang city, Comrade General Secretary Do Muoi and Comrade Dao Duy Tung, member of party Central Committee Political Bureau and secretary of the party Central Committee, held working sessions with the secretaries, deputy secretaries, and heads of party organization sections of provinces in the central region from Quang Binh to Binh Thuan and the three north-central highland provinces, to discuss preparations for midterm conferences of these provincial party organizations.

The comrade general secretary heard reports from various party cadres on plans to carry out midterm conferences of provincial party organizations which are expected to take place in late February and March this year. Attendees at these conferences will discuss the political reports of the party organizations and elect supplementary members for provincial party committees in accordance with the party by-laws. [passage omitted]

On direction for socioeconomic development of the central region provinces, the comrade general secretary pointed out that at present the central region still lags behind others in terms of economic development and living standards of local people. But the region also possesses latent strength and potential within its forest land, sea, minerals, geographical location, and especially the people here who inherit fine traditions of industriousness, intelligence, and brave and persistent determination in fighting against natural disasters and other enemies. These are advantages and conditions for a

diversified development of the local economy. The general secretary stressed that the central region has a strategic position in terms of economic, security, and national defense. It is not true to say that the central government only cares about the other two regions and neglects the central one. The major water conservancy projects, the important hydroelectric projects in the central highlands, and the 500-kv electricity project are in the interests of the central region. We have at the same time too many things to be done and we have to do them in sequence aiming to serve the national interest in the principle of equality to all regions.

The comrade general secretary urged the provincial authorities to find suitable and effective measures and strategies to develop economic potential, to build more water conservancy projects, to cover all empty lands and bare hills, and to develop other employment branches in order to promote industrialization. The localities also need to intensify their exports, limit and substitute imports, exploit the advantage of sea transport, and consolidate interaction between provinces in business relations with foreign countries.

The comrade general secretary pointed out an issue that needs to be tackled urgently which is programs to eliminate hunger and reduce poverty for people in mountain and minority ethnic regions, as well as in former revolutionary bases. The programs need to motivate self-help consciousness among people and avoid a reliant attitude, and only in this way can socioeconomic development can be attained. He said: We are to be seriously blamed if we let the families of wounded soldiers and war dead live in poverty. We have to invest in building and developing the former revolutionary bases. We have to be just and fair in distribution of production materials and supplies as stipulated by the party resolution.

The comrade general secretary said: To correctly carry out the two strategic tasks of building and safeguarding our fatherland, we must focus on building our party cleanly and steadfastly, and on heightening the militancy and self-control spirit among the party member contingent. The party members must exercise solidarity and attach utmost importance to mass motivation tasks in order to build up an all-people solidarity block. The party cadres should work for the people, be close to people, and not be revolutionary mandarins. All our work should be devoted to the development and prosperity of our country and the happiness of the people. [passage omitted]

During their visit to Quang Nam-Danang, Comrades General Secretary Do Muoi and his entourage paid visits to several localities and families of peasants and fishermen who are among the poorest people in Zone 2, Phuoc Ly Ward in Danang city; and the Que Linh Village in Que Son District, 60-km from Danang, one of the former revolutionary bases which is still very poor. Comrade general secretary entered houses and warmly talked to the poor peasants and presented a number of new year gifts to families of wounded soldiers and war

dead. He urged the party committees and local authorities to carry out effective measures to quickly solve socioeconomic problems of people in mountain and remote areas, with the prime attention focused on developing water conservancy projects. He said: I have been working for the revolution all my life and whenever I talk to peasants I always remember three main points: first, peasants must have their land; second, water conservancy is important; and third, capital must be available. In order to eliminate hunger and reduce poverty quickly, we must help peasants in these three areas. [passage omitted]

Kiet Sees 'Grave' Sericulture Mismanagement

BK0702102894 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 5 Feb 94

[Text] The government office issued a notice on 2 February, saying Prime Minister Vo Van Kiet and Deputy Prime Minister Phan Van Khai personally met Comrade Nguyen Van, director-general of the Vietnam Union of Sericultural Enterprises in Ho Chi Minh City on 7 January 1994.

After hearing Mr. Le Xuan Trinh, minister of state and head of the government office, give a briefing on the actual financial situation of the union and the responsibility of Director-General Nguyen Van, and based on the views of various responsible statement management sectors, on a protest note from the Supreme People's Organ of Control, on the results of an audit conducted by the Ministry of Finance, on inferences of the personnel affairs section of the Ministry of Agriculture and Food Industry and of the Lam Dong provincial party committee as well as on the many public views reported earlier, and after hearing various sectors express their views, Prime Minister Vo Van Kiet and Deputy Prime Minister Phan Van Khai arrived at the following decision:

1. The Vietnamese sericultural sector is one of the country's high potential sectors. It has been and is providing employment to hundreds of thousands of workers. However, present and long-term development plans for the sericultural sector must be carefully worked out. As the main end-product of the sericultural sector is destined for export, we must accept the mode of development and production in line with the market system and international competition.

2. Violations committed in the past by the union of sericultural enterprises in financial management principles were grave. These include using short-term capital loans for capital construction, especially for a number of projects which are not necessary for sericultural production and are characteristic of showiness, failing to develop any economic results. In a number of projects built with short-term capital loans, the union has failed to comply with state stipulations. The union's expenditure management has not been strict enough. Its sluggish debt payment has resulted in a higher interest rate which

the union can hardly afford. The responsibility for these violations rests with Director-General Nguyen Van.

Director-General Nguyen Van used part of the loans obtained from the state to buy silk cocoons from the people and to carry out capital construction, such as buying certain equipment and transportation means. He also built a number of projects such as hotels and shopping centers just for show without taking into consideration their economic results and the consequential bank interest payments. He also failed to carefully consider various factors such as product quantity and quality and production cost when it comes to borrowing money from a number of countries to import silk-reeling and weaving tools.

Comrade Nguyen Van is a cadre who has devoted himself to the development of the Vietnamese sericultural sector. He planned to develop a specialized sericultural production center in the Bao Loc hilly area for use as a basis for nationwide sericultural production efforts, trying to build a sizable industry with Bao Loc as a center. However, having committed such shortcomings is very grave. Noteworthy is the fact that the prime minister has on several occasions warned Comrade Nguyen Van, the minister of agriculture and food industry, and the secretary of the Lam Dong provincial party committee about the irregularities committed by the union in using its capital loans.

It is requested that the Ministry of Agriculture and Food Industry's personnel affairs section and the minister of agriculture and food industry sternly criticize Comrade Nguyen Van for his irregularities, and that Comrade Nguyen Van be made to face stern disciplinary actions given the fact that he is the head of a giant union.

If Comrade Nguyen Van is willing to correct his wrongdoings and continue to devote himself to the sericultural sector, to place himself under the ministry's control, and to accept the assistance of various state organs, he will be able to continue his service with the sericultural sector. It is also necessary for him to rectify the production and business activities of his union to bring it back to effective operation and to clear up its debts.

The Ministry of Agriculture and Food Industry must sternly criticize the board of directors of the union and strengthen it so it will become more competent to serve the cause of sericultural growth and will see economic results as the ultimate goal as opposed to any excessively showy formats without taking into account economic results.

As for the union's party executive committee, the Ministry of Agriculture and Food Industry must provide the Lam Dong provincial party committee with a detailed report with recommendations so the latter can criticize the committee over this issue in accordance with the party's principles and statute.

The criticism of Comrade Nguyen Van and the disciplinary actions taken against him as well as efforts to

criticize and revamp the union's board of directors must be completed within the first quarter of 1994 if we are to promptly stabilize the union's production and business activities.

The comrade minister of agriculture and food industry must criticize himself in view of his responsibility of providing managerial guidance for the union in the past.

Responsible sectors, especially specialized commercial banks which have provided capital loans to the union, must also show a sense of responsibility by helping the union resolve its present difficulties. The state bank governor must also criticize himself given his responsibility to provide state management. He must also criticize specialized commercial banks for having as a result of their lack of control and auditing failed to detect the mistake of loaning a large sum of money to the union to use for inappropriate purposes as noted above.

Presently, the financial situation of the union is very difficult. As the union is an important union of the state whose survival has an effect, both directly and indirectly, on the employment and welfare of hundreds of thousands of sericultural workers, we must, on the one hand, point out the shortcomings of the union so it can correct them while, on the other, seek ways to consolidate the union, trying to bring the union's activities onto the right track, effectively reorganize the union's production and business activities, secure and recover the amount of capital already invested by the state in the union, make full use of the source of agricultural labor and the latent potential in land and climate of various areas in the country for sericultural production, and increase the competitive power of our sericultural products in the world market.

The prime minister decided on a number of specific corrective measures aimed at rectifying the operations of the Vietnam Union of Sericultural Enterprises. These measures include those designed to clear up debts; to rectify those tasks involving finance, capital, assets, equipment management, and renovating the union organizationally; and so forth in order to continue to maintain and develop the sericultural sector at a time when we are shifting to a market economy amid increasingly tough world competition in this field of activity.

Le Duc Anh Recalls War-Era Sacrifices

BK0602102394 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 5 Feb 94

[Report by station correspondent Truong Cong Hoa on a Tet get-together with fallen combatant's families by party and state leaders in the Presidential Palace on 2 February—portions recorded]

[Summary] "Dear friends, in an enthusiastic atmosphere when the country is entering its spring, this morning, Saturday 5 February at the Presidential Palace, our party and government held a Tet get-together with nearly 300

fallen combatant families who represented all families of injured soldiers and fallen combatants in the entire country.

"Comrade General Secretary Do Muoi, state President Le Duc Anh, Prime Minister Vo Van Kiet, National Assembly Chairman Nong Duc Manh, party Central Committee Advisers Pham Van Dong and Vo Chi Cong, and high ranking party and state cadres from the central and Hanoi organs attended the function. Before coming to the Presidential Palace, the families visited President Ho Chi Minh in his mausoleum."

In a solemn and friendly atmosphere, General Secretary Do Muoi, Comrades Pham Van Dong and Vo Chi Cong, state President Le Duc Anh, Prime Minister Vo Van Kiet, National Assembly Chairman Nong Duc Manh, and leading party and state cadres warmly received the families and invited them into the Presidential Palace. The families were moved when they listened to the statement made by State President Le Duc Anh. He said:

[Begin Le Duc Anh recording] "Ladies, Gentlemen, and Comrades: Inheriting and developing the heroic and indomitable tradition of our Vietnamese people from thousands of years of national construction and protection, in more than half a century, under the correct leadership of the Communist Party of Vietnam and beloved Uncle Ho, our people conducted an extremely formidable and brave struggle against mighty invading forces to regain our national independence and freedom.

"Right here, when the invasion war was at its peak, President Ho Chi Minh declared: The war may prolong to five, ten, or 20 years or longer. Hanoi, Haiphong, and certain industrial cities may be damaged. But the Vietnamese people are not in fear. Nothing is more precious than independence and freedom.

"Uncle Ho spoke about the willpower, determination, and aspirations of the entire people who had been miserably living long nights of slavery with only oppression, prison, and wars, but not democracy and human rights. In order to achieve the present glorious victory, our people in the entire country exerted their utmost efforts and endured much long suffering. Dozens of millions of compatriots and soldiers contributed outstanding service. Hundreds of thousands of soldiers were killed in prisons and battlefields. Our Vietnamese people eternally acknowledge and voluminously appreciate the fallen combatants who sacrificed themselves for the nation's independence and people's freedom and democracy.

"On behalf of the party, government, people, and soldiers, I bow myself at the soul of fallen combatants who sacrificed for our great national cause. I deeply appreciate families of fallen combatants and mothers who bore and brought up brave, stubborn, and loyal children before offering their beloved children for the survival of our fatherland. Especially, the noble mothers who sent off their children for national service three, five, and seven

times. And all of them were killed on the battlefields, never returning to their mothers."

Defense Minister Inspects Training Activities

BK0702144094 Hanoi Vietnam Television Network in Vietnamese 1315 GMT 6 Feb 94

[Excerpts] General Doan Khue, member of the party Central Committee Political Bureau and minister of national defense, recently made a working visit to inspect Group B-24's training activities in the Fourth Military Region. [passage omitted]

The Thao Nguyen Regiment has served as a model training unit for Group B-24 and the Fourth Military Region. Last year, the regiment completed its training program in a satisfactory manner. Those participating in skills contests in land transportation, artillery, engineering, communications, and air defense all won first or second prizes from the Fourth Military Region and the Ministry of National Defense.

Despite difficulties with budget allocations, lack of seeds, and bad weather conditions, the cadres and soldiers of the Thao Nguyen Regiment and other units under Group B-24 actively participated in production to improve their living conditions. The quality of their daily meals has improved considerably. Tens of hectares of land have been turned into ponds to raise fish. Each cadre or soldier has turned out 11 kg of vegetables per month. Cultivation and animal husbandry have generated additional income. As a result, meals have been supplemented by 250 to 300 dong each. Group B-24's personnel usually have three dishes at each meal. This has put an end to the bad practice of making one's own cooking arrangements and other negative habits. As many as 97 to 98 percent of the troops stay healthy and participate in learning and training activities. The work performance of 10 of the Thao Nguyen Regiment's 12 troop feeding units has been rated as good. As an example, one can cite the troop feeding units of the 4th and 5th Battalions and the regimental command.

Also on this occasion, Gen. Doan Khue called on a number of mothers of fallen combatants who live near the group's bivouacking area. He visited Mrs. Duong Thi Nga and her family. Two of Mrs. Nga's sons have been listed as fallen combatants. Besides the care provided by the local party committee and administration, Mrs. Nga and other mothers of fallen combatants here are also assisted by the cadres and soldiers of Group B-24. Gen. Doan Khue also visited Mrs. Nguyen Thi Vung and her family. Mrs. Vung's three sons and one son-in-law have been listed as fallen combatants. Mother Vung is 90 years old. During the course of the anti-U.S. national salvation struggle, Mother Vung actively motivated her children to set out and fight the enemy. Now, as in the past, the mothers of fallen combatants always motivate the soldiers to undergo training and stand ready for combat.

Standing Committee Communique on Recent Meeting

BK0402155194 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 4 Feb 94

[Communique issued by National Assembly Standing Committee; date not given]

[Text] From 28 January to 2 February, the National Assembly Standing Committee [NASC] held a meeting under the direction of National Assembly Chairman Nong Duc Manh. Vice President Nguyen Thi Binh attended the meeting.

1. The NASC spent a great deal of time discussing and deciding on the 1994 NASC program of actions, including issues related to its law-building program, supervision program, and external relations activities to execute resolutions adopted by the Ninth National Assembly Fourth Session.

The NASC outlined concrete guidelines and measures to accelerate its legislation, supervision, and external relations activities together with 1994 key duties, especially the fight against corruption and smuggling. It also discussed and drew on experience for the guidance, regulation, and coordination of activities performed by the Nationalities Committee and other committees of the National Assembly in order to satisfactorily complete the outlined duties.

2. The NASC listened to reports presented by representatives of the government, the Supreme People's Court, and the Supreme People's Organ of Control on the implementation of the National Assembly resolutions and laws introduced by the National Assembly in its Fourth Session. It also examined reports from the Ministries of Interior, Commerce, and Construction on their urgent works to execute the National Assembly resolutions.

The NASC praises the government, central organs, and local authorities for their quick implementation of recently-adopted resolutions and laws. At the same time, the NASC wants to emphasize the importance of the introduction of documents to provide guidance for the execution of the laws and concrete guidelines and measures for the government and responsible organs to observe in their implementation process.

3. The NASC examined the government report on the allocation of the 1994 state budget after the government had completed his working sessions with ministries, government agencies, and local authorities. The NASC approves the allocation planning. It reminds that in the implementation process, the government must closely observe the estimation of budget revenues and expenses mentioned in the National Assembly resolution. At the same time, the government must introduce concrete measures and policies to increase revenue, save money, and create more capital resources to accelerate the socio-economic development.

4. The NASC offered its opinions on the draft regulation on the coordination between different government agencies in their guidance for the implementation of the National Assembly resolutions on practicing frugality and fighting waste, corruption, and smuggling. The NASC discussed many important issues of the draft regulation, especially the objectives and scope of the coordination and the responsibility of each government agency, head of government agencies, National Assembly deputy, and National Assembly delegations in executing the National Assembly resolutions. This draft regulation needs to be perfected by seeking opinions from related organs for early implementation.

5. Based on the recommendation of the chief justice of the Supreme People's Court, the NASC approved the appointment of Senior Lieutenant General Nguyen Nam Khanh, deputy director of the Political General Department of the Vietnam People's Army, to the Selection Committee of Judges for the Supreme People's Courts and to the Central Military Court to replace retiring

Lieut. Gen. Nguyen Oanh, deputy chief justice of the Supreme People's Court and Chief Judge of the Central Military Court.

Province Posts \$24 Million Export Index

BK0602131294 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 3 Feb 94

[Text] In 1993, the An Giang Province Import-Export Corporation exported 40,000 tons of food and agricultural products of all kinds, achieving an import-export index of nearly 24 million dollars. The corporation began implementing two joint ventures involving more than one million dollars in capital investment with foreign firms. It also encouraged peasants to sign contracts to grow subsidiary food crops of high economic value to meet export demands, helping them with seeds, technological assistance, and product consumption. As a result, hundreds of hectares of land have been zoned off for planting Japanese red beans, black sesame, and mushrooms to meet export demands.

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Australia

Spokesman Welcomes End to U.S. Trade Embargo

*BK0402013994 Melbourne Radio Australia in English
0100 GMT 4 Feb 94*

[Text] Australia has welcomed the U.S. decision to lift its embargo on Vietnam. A spokesperson for the foreign minister, Gareth Evans, said although the decision does not include the establishment of diplomatic relations, it is a positive step toward Vietnam's acceptance in the international community. The spokesperson says the increased competition which is likely to result between Australian and U.S. firms in Vietnam should also be welcomed.

Foreign Minister Evans Cited

*BK0402055094 Melbourne Radio Australia in English
0500 GMT 4 Feb 94*

[Text] Australia's foreign minister, Gareth Evans, says everyone will benefit from the lifting of America's embargo on Vietnam. Senator Evans says Australia has been pushing President Clinton and his administration on the issue:

[Begin Evans recording] We have been urging him and previous administrations to go down this route, of course, for a very long time. We have regarded it as, quite frankly, absurd that the POW-MIA issue should have occupied the time and attention and been the distraction that it was. Obviously it is in everyone's interest that there be a resumption of major economic activity in Vietnam, and we are very glad that has happened. [end recording]

Sen. Evans said Australian industry should not fear American competition in Vietnam, because it should generate higher economic activity. The foreign minister said Australian industry was much more internationally competitive and Australia already had an established track record in Vietnam.

Belinda Tromp reports that the American decision is expected to remove some obstacles for Australian investors:

[Begin recording] [Tromp] With a literacy rate of around 80 percent and a government keen to achieve rapid economic growth, Vietnam has some of the fundamentals for attracting new investment. What is missing, according to an executive member of the Australia-Vietnam Business Council, Robert Wilcox, is a modern bureaucracy.

[Wilcox] The Vietnamese need to move, I believe, more quickly with their reforms—in getting their legal system together, getting their administrative act together—as a result of this.

[Tromp] Mr. Wilcox says the reputation and expertise established by Australian companies already in Vietnam—such as BHP, Telecom, and the ANZ Bank—put Australian companies in a good position for the onset of competition from U.S. investors. [end recording]

Evans on Case for Air Strikes on Sarajevo

*BK0702082294 Hong Kong AFP in English 0521 GMT
7 Feb 94*

[Text] CANBERRA, Feb 7 (AFP)—Australian Foreign Minister Gareth Evans said Monday the mortar-bomb attack on Sarajevo makes the option of air strikes against Bosnian Serb forces more compelling and irresistible. He described the bombing as a "despicable and barbaric act," adding that while the authorities were unable to positively establish responsibility, it was internationally assumed Bosnian Serb artillery was to blame.

"Certainly the case for air strikes is becoming more compelling, more irresistible," he told parliament. He said the international community was hesitant to use air strikes because it was unclear if they would be successful in removing threats and could hurt humanitarian operations in Bosnia. "It is a matter for very fine judgment for those who have their own citizens at risk," he said.

"It is a matter for very fine judgment by everyone who has the best interests of the Bosnian people deeply at heart.

"We in Australia will support any decision that is made as a result of these proper processes working themselves out."